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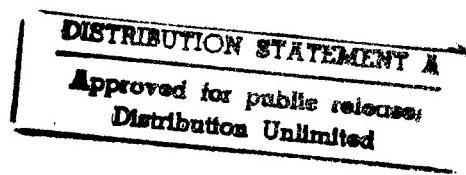
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30 September 1985

# Latin America Report

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30 September 1985

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INTER-AMERICAN AFFAIRS

ST LUCIA PLP: U.S. USES JAMAICANS IN AREA ELECTION PLOTS

Castries CRUSADER in English 17 Aug 85 p 10

[Text]

St. Lucians were disturbed to learn that a team of Jamaicans involved in the manipulation of East Caribbean Elections under the aegis of the United States had in fact remained in St. Lucia for a few weeks leading up to the 1982 Red Hearts Election. This was reported in the Crusader immediately after the Election.

Since that, the Jamaican Squad of manipulators has sneaked into every East Caribbean territory holding General Elections. They were present in St. Vincent, Grenada, Antigua, and now reports of the Dominica Elections confirm their presence.

John Hegne, a Jamaican writer filed an article on the Dominica Elections in the Daily Gleaner of 4th July 1985.

He wrote: "The Dominica Freedom Party still has a lot to learn about organising and sustaining a Party structure between elections. It is no secret that our Jamaica Labour Party fielded some of its most expert activists to help the Dominica Freedom Party in the months before the Election, and some of their wry stories about the lack of that experience which we take for granted in Jamaica were rather funny."

It is interesting to read this open admission to interference in Dominica's electoral process by Mr. Seaga's Jamaica

Labour Party as Mr. Hearne cares to regard it. He stops short of informing his reading public that this group of political activists operate according to the geopolitics of the United States and are financed and programmed by the United States. The Jamaica Labour Party is only a convenient conduit for funding, Public Relations manipulation and electoral trickery, as was evident in St. Lucia's Red Hearts Election. By a very strange coincidence it was to Jamaica that the St. Lucia Supervisor of Elections travelled on the eve of the Election, armed with ballots, allegedly to check on ink for the Elections.

It is remarkable that the United States Administration which appears to be so preoccupied with the conduct of fair and free elections that it invaded little Grenada to ensure it, should so meddle and interfere in the electoral process of small Caribbean States.

The leaders of the East Caribbean have connived at this interference. They responded to the U.S. initiative to create a Centrist Party in Grenada and met together in a Squalid Cabal with Grenadian politicians to establish the N.N.P. in Grenada. All this points to the monumental hypocrisy in Prime Minister Compton's statement, following the Dominica Elections, when he condemned outside interference in East Caribbean elections.

CSO: 3298/987

INTER-AMERICAN AFFAIRS

JAMAICA, TRINIDAD-TOBAGO AGREE ON TRADE MEASURES

Kingston THE DAILY GLEANER in English 23 Aug 85 p 3

[Text] [A] "PORT-OF-SPAIN ACCORD" has been agreed on between Jamaica and Trinidad and Tobago to help normalize trading relations between the two countries as a result of a meeting held in Trinidad last week, which he described as "a qualified success."

Speaking at the Jamaica Manufacturers Association's monthly board meeting in Kingston on Wednesday, JMA president Mr. Paul Thomas announced that arising out of the mission which had been "most distinctly a qualified success," the basis for restoring a level of trade with Trinidad had been arrived.

"Within the next month Jamaica's trade statistics should certainly improve," he said.

Mr. Thomas reported that the accord called for the preparation of two lists: a list 'A' on which items would be allowed on the basis of total free trade and a list 'B', on which the Ministry of Trade in Trinidad would seek to afford some licensing for these products. The 'A' list items would require no licence and foreign exchange would be made available automatically for them while the 'B' list items would require licences.

The "Port-Of Spain Accord" called for reviews every ninety days during which time items could be added or removed from the lists. Mr. Thomas said that the first review would take place in Jamaica.

He said that out of the accord, which was expected to have been signed Wednesday by the Jamaican High Commissioner in Trinidad, there were over 110 items which would be accorded preferential treatment for licences in the Trinidad market.

The president said, however, that the Trinidadian Ministry officials

were at great pains to assure the Jamaican delegation that because an individual product did not fall on the respective list 'A' or 'B' did not mean that it was restricted from its Trinidadian market. But that meant it just would not be afforded the special treatment and it would have to find its way into the Trinidadian market based on normal representation.

"Of these there are four specific categories, however, which with the best will in the world, we were not able to get on to this special treaty accord. In these categories were: sugar-based products — covering the range of, confectionery, chocolate and sweetened drink — cosmetics and toiletries, textiles and garments, and footwear and leather products.

He said that the Jamaican delegation was however able to secure an agreement that "with regard to those four sections, if there are going to be any imports within those categories, Jamaican producers would be given priority treatment in the issuing of licenses".

The reason for the restrictions on these categories, he later explained, was that within the Trinidad economy those four sectors were "suffering great problems" and the Trinidadian Minister of Industry had recently put in place an 18-month "breathing spell" in their garment industry and this obviously took precedence over any discussions that took place.

At the meeting, the Jamaican delegation had gone to great lengths to assure the Trinidadian private and

public sectors that Jamaica would remove the scheduling of payments for Caricom goods.

"If 'the Port-of-Spain Accord' is to stick it is going to have to have some basis of two-way trade...", the JMA president warned and told Board members that the Trinidadian private sector had been invited to bring a trade mission to Jamaica during which time they would be assisted in getting their products into the Jamaican market.

Mr. Thomas felt the trade issue could clearly be seen "more and more as being a Trinidadian structural adjustment problem". He said that during the meeting it could be observed that the issue had "less and less to do with Jamaica but more and more to do with the ability of their (Trinidad's) manufacturing sector's ability to compete with imports from whatever source".

"At the meeting, we had to address the basic issue that the Trinidad private sector are pushing their government for a policy of protectionism that ranks over and above the Caricom agreement," he said. He said that this was the reality the Jamaican delegation which had gone into the meeting, "expecting total free trade", had been faced with.

"We here in Jamaica must seek to rekindle a greater spirit of Caricom co-operation with our private sector counterparts in Trinidad, and this agreement can bring us back to normal," he said.

The team to Trinidad was made up of Mr. Claude Clarke, president of the JEA; Mr. Sam Mahfood representing the PSOJ; Mr. Bruce Rickards from the Chamber of Commerce; and Mr. Paul Thomas representing the JMA. The public sector team was led by Mr. Hugh Bonnick who was joined by the Jamaican High Commissioner in Trinidad and Mr. Kirk Philips, the Trade Commissioner.

The Trinidadian team, led by their Permanent Secretary in Industry, Mr. Reynold Rampershad, had been, according to Mr. Thomas, a broad based one with representatives from almost every aspect of Trinidad's public sector regime as well as the Trinidadian Chamber of Commerce and its Manufacturers' Association (the TTMA) representing the private sector.

INTER-AMERICAN AFFAIRS

TRINIDAD'S INACTION ON NASSAU PLAN IRKS NEIGHBORS

St Lucia Criticism

FL032027 Bridgetown CANA in English 1722 GMT 3 Sep 85

[Excerpts] Castries, 3 Sep--St Lucia, among four Caribbean Community (CARICOM) countries which have not implemented a 14-month-old tariff agreement aimed at boosting intra-regional trade, has blamed what it says is the failure by Trinidad and Tobago to honour a pledge to open up its market to local exports.

It is close to two months that the bilateral arrangement was agreed to (between St Lucia and Trinidad and Tobago) and instead of conditions improving, things have actually become worse, as Trinidad and Tobago has apparently not lifted a finger to make the export arrangement work, Trade Minister George Mallet said.

We were hoping that by this time we would have had some improvement in terms of our exports to Trinidad, so that the proposed steps could have been taken to satisfy the Nassau Understanding in respect to increased tariffs, but St Lucia is not in a position to meet the arrangement, he added.

Mallet said there has been no progress on a new export arrangement with Trinidad and Tobago, allowing the entry of St Lucian garments for a period. He said he was not sure St Lucia would set a new date for implementing the trade arrangement, but his ministry had prepared a number of recommendations for ratification by the cabinet. He declined to disclose what these plans were.

We have been in touch with Trinidad and have received assurances from time to time that the matter is being perused. Up to last week, I telexed the minister informing him that the assurances given to St Lucia by his government were not being met. There has been no reply, he said.

Port-of-Spain Rationale

FL050018 Bridgetown CANA in English 1918 GMT 4 Sep 85

[Text] Bridgetown, 4 Sep--Trinidad and Tobago's failure to implement proposals for infusing new life into trade among the Caribbean Community's (CARICOM) 13 members, is bound to heighten concern in the community about prospects for quick recovery from the current bout of depression.

Port-of-Spain is one of four CARICOM states that did not implement the so-called Nassau understanding by the 31 August deadline. But none of the other three--Antigua and Barbuda, Belize, and St Lucia--comes even near to matching the affluence and often seemingly insatiability of the Trinidad and Tobago market.

Trinidadians went on a wild spending spree in the early and mid-1970's, fueled by the sudden oil price bonanza. But as petroleum prices leveled off and actually began to fall, government pulled in the reins, and the past 2 years have seen increasing restraints on consumption, including curbs on imports.

It is these curbs that manufacturers and exporters elsewhere in the region are complaining about, citing them as reasons for their economic woes.

Declared the Barbados Central Bank in its most recent review of the island's economy: Barbados trade within CARICOM is still hamstrung by the fierce protectionist policies of Trinidad and Tobago.

But Trinidad and Tobago defends its actions as being necessary to protect its own economy in difficult times and safeguard jobs in its own manufacturing sector.

CSO: 3298/987

INTER-AMERICAN AFFAIRS

CARIBBEAN STATES TO SEEK MORE SOFT LOANS FROM IDA

Port-of-Spain EXPRESS in English 21 Aug 85 pp 44, 45

[Article by Sandra Baptiste]

[Text] **LONDON, (CANA) — Several Caribbean countries are expected to take their fight for continued access to International Development Association (IDA) soft loans to the Bahamas next October.**

Poor regional states like Dominica, St. Lucia, Barbados and St Vincent and the Grenadines have been openly voicing concern about the World Bank affiliate's criteria for aid, which will see all these countries cut off from some of the financial markets' easiest repayment conditions by mid-1986.

Formal complaints have actually been lodged with the World Bank and there has been lobbying in Washington aimed at getting some ease from this so-called "graduation" process and some government leaders expect the issue will surface not only during next month's Commonwealth Finance Ministers meeting in the Indian Ocean, but also the mid-October Bahamas summit.

Prime Minister Eugenia Charles of Dominica has complained that the island's "graduation" from IDA resources could adversely affect the government's economic drive over the next few years.

"This (graduation) comes at a time when we are most in need of concessional aid to support the structural changes that we have been trying so hard to make," Miss Charles told parliament.

She said the irony of the situation was that while the small Caribbean countries were being forced out of the low income group eligible for concessionary aid they were considered not credit worthy for non-concessional loans.

Director of economic affairs at the Commonwealth secretariat here, Vishnu Persaud, said the poorer Caribbean countries could not afford to pay commercial bank interest rates of between 10 and 11 per cent.

He suggested that the World Bank move away

from the concept of "graduating" countries with a per capita income of \$800 U.S. and above and display more flexibility.

He also emphasised that countries should not be graduated unless alternative sources of financing were identified.

Commonwealth Secretary General, Shridath Ramphal commented: "graduation" normally means achievement, but in this context it means demotion.

"It means that countries like Dominica, St. Lucia and St. Vincent and the Grenadines would move into a higher category of countries, which means that they will no longer be eligible for loans available for the smallest and poorest countries.

"These countries will have to pay more to borrow on commercial terms and this is totally out of the question. These countries are in fact being told that they are no longer eligible for help."

He added: "It is something the region must fight and it has implications not only for the Caribbean but also for Africa and South Pacific countries. It is a matter of grave importance."

The commonwealth finance ministers have stressed that the graduation would be a hard blow for countries which still have great need for external resources to promote balanced and more stable development.

But it's not only the World Bank and its soft loan affiliate which are under fire from Third World countries with economic problems.

The International Monetary Fund (IMF) is also being urged to maintain a flexible approach to the issue of bolstering Third World economies.

"In view of the urgent need to reverse or at least moderate the efforts of severe import cut-backs by developing countries in recent years, ministers urged the fund to continue and widen its efforts to maintain credit flows, mobilise balance of payments support from appropriate sources and facilitate improved rescheduling," the finance ministers said at their last meeting.

The IMF is being encouraged to revise its rigid conditionality practices and improve its facilities in accordance with the circumstances of member countries as well as pay greater attention to the extended fund and compensatory financing facilities.

Debate in the Maldives and Nassau will focus on the implications of the problem of certain countries, mainly African, being in arrears with the IMF, as well as the recent decision by the fund to declare Guyana ineligible to borrow from it.

Persaud also drew attention to Jamaica's arrangement with the IMF and said the island was "skating on thin ice."

Jamaica entered a \$120 million (U.S.) IMF agreement in June. The government has had to implement deep spending cuts, which has adversely affected social

services and subsidies, to sharply devalue the Jamaica dollar, impose a credit squeeze and slash substantially public sector employment.

At their summit in Barbados last month, Caribbean Community (Caricom) heads of government noted the particular difficulties facing middle income countries with respect to commercial and concessional financial flows.

"They endorsed the proposal to establish a Third World facility within the World Bank to ensure the continuation of concessionary financial flows in terms more responsive to the requirements of these states," the summit communique said.

"They felt, however, that such a proposal needed to be carefully studied with a view to measuring its effectiveness."

The Caricom governments also complained that the principle of multilateralism which characterised post-war international relations was under severe attack.

For Caricom governments, the two meetings are coming at a time when there's a pressing need for developmental aid.

The Barbados Prime Minister and Minister of Finance, Bernard St John who will be attending his first Commonwealth Summit as a head of government, summed up the situation bluntly, in an address to the annual meeting of the board of governors of the Caribbean Development Bank (CDB), in Barbados this year.

"Countries facing desperate foreign exchange shortages cannot carry out meaningful adjustments. All that happens is that without external support the economy continues on its downward spiral with ever deeper level of misery and discomfort."

Commonwealth leaders meeting in New Delhi in 1983 held out some hope that the economic recovery, largely in the United States, would pick up and its effects impact on most countries which have suffered from economic stagnation, unemployment and inflation.

Now, some two years later, the New Delhi statement on economic action which said that economic recovery remained uneven and fragile and its overall pace was disappointing, is very much valid today, and, in fact there's speculation of a renewed recession in the United States.

"Many countries have been severely affected and have immediate anxieties arising from depressed commodity prices, protectionism, inadequate resources flows, and debt and balance of payments problems," the New Delhi statement said.

"For developing countries, this common crisis has been super imposed on deep-seated problems of poverty and hunger. The small states, with their exposed economics, have had particular problems of their own."

Persaud feels the general economic picture hasn't changed much and in particular the Third World situation remains depressed.

Continuing high interest rates, excessive budgetary deficits, inflationary expectations and rising protectionism were identified as factors which inhibited real recovery.

Commonwealth reports such as "protectionism threat to international order",

"the north-south dialogue", "towards a new bretton woods" and more recently the report of the Commonwealth inter governmental consultative group on international economic action and that of the report titled "the debt crisis and the world economy" have sought to analyse some of the major problems and offered some solutions, but these have gone largely unheeded.

The Commonwealth Secretary General said recently that the world is witnessing a major assault on an already fragile structure of international cooperation.

"There is a strong feeling, with sinister ideological overtones, within significant circles in major countries that a handful of strong and rich countries can and should run the world, help and reward friends, destabilise and destroy enemies," Ramphal said in his address " the lure of real politik," at the institute of international relations at the University of the West Indies (UWI).

Persaud said since New Delhi, commercial financial flows have fallen off and aid has declined, although relief is being given in terms of food aid to Africa.

CSO: 3298/987

ARGENTINA

EEC PROTECTIONIST POLICIES CRITICIZED

Buenos Aires SOMOS in Spanish 26 Aug 85 p 8

[Text] Undersecretary of Livestock Dr Horacio Raul Meyer described the sector's situation from the standpoint of external markets. He severely criticized the protectionist and subsidy policies of the European Economic Community (EEC) and revealed that the possibility of setting up a Reactivation Fund for the Meat Packing Industry is under study.

[Question] How are negotiations for foreign meat sales progressing?

[Answer] It is getting more and more difficult. Our traditional markets and customers are our greatest competitors now, thanks to an unfavorable policy of subsidies. Moreover, our usual products are worth less and less on the international market, and the products we need to make our exports are worth more and more. This kind of trade makes us increasingly dependent.

[Question] What solutions are being considered?

[Answer] With a coherent sanitation policy, we can gain access to very important markets that are not as rigorous, and that are controlled by the countries that subsidize their industries, such as those of the EEC or the United States.

[Question] Will there be effective incentives?

[Answer] We have inherited a bankrupt meat packing industry that cannot be helped with palliatives. We must try to bring about a total transformation through the recovery of production, and to facilitate exports, even through access to new markets. Furthermore, it is highly likely that a Reactivation Fund will be established for the meat packing industry.

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CSO: 8148/2044

ARGENTINA

CAMPERO ANALYZES IMPACT OF ECONOMIC REFORM

Buenos Aires SOMOS in Spanish 26 Aug 85 p 9

[Interview with Ricardo Campero; author, date, time and place not given]

[Text] Expectations were rising as the week drew to a close. Everyone in the city knew that the Ministry of Foreign Trade had put the finishing touches on an ambitious program to promote exports, and in general to adapt Argentine trade to the new economic situation resulting from the reform measures implemented on 14 June. Ricardo Campero explained to SOMOS some of the implications of the government's initiatives.

[Question] Will an export promotion policy be launched?

[Answer] The objective is to enforce the Export Promotion Act to the limit. At this time we are devising instruments to complete a system in which exporters will be familiar with the rules of the game.

[Question] What are the goals?

[Answer] Our objective is to arrive at the best possible balance of trade. That implies the growth of exports. We hope that in this way industry will recover from the current slump in capital investment and the utilization of productive capacity, which will boost employment. We want to give a chance to small and medium-sized firms to share in the benefits of international trade. We are in the process of encouraging domestic businesses to participate extensively on the foreign market. We also feel that our state enterprises must participate in this area, and some are already doing so, having begun more aggressive actions on international markets.

[Question] To export turn-key plants, for example?

[Answer] We have made progress in sectors such as civilian defense contracts, energy, films and television, and we have also laid out the options for imports in this regard. We are advancing in the formation of state enterprise consortia, and mixed consortia involving both state and private firms.

[Question] Will some agency be established for this purpose?

[Answer] No, definitely not. Our strategy aims at decentralizing in order to facilitate access to companies, including small and medium-sized ones. I don't understand this talk about nationalizing foreign trade. We operate on the basis of maximizing the benefits of foreign trade, which entails creating an efficient state administration that promotes activities and primarily engages in negotiations. We have no plans for any state enterprise to undertake exports as a whole.

[Question] What mechanisms does the Secretariat of Foreign Trade have to help key sectors reactivate their exports?

[Answer] Argentina has not been able to enjoy proper conditions for exporting. We consider that the key sectors are those with comparative advantages, derived from a system of protectionism. These sectors had to subsidize other areas of production to help them participate in international commerce. The Argentine system of production is like a bottle of champagne that has been shaken; if we pop the cork, an incredible torrent will ensue. You see, the uncorking of that bottle is a structural question. Here there are privileges that are being eliminated, structures that have been built up over many years.

[Question] Are officials considering the possibility of attracting capital from "fair-weather" investors to channel it into the production of exports?

[Answer] I think the Central Bank is working to transform the energy generated in speculative systems into energy that can be applied to production. In fact, there are certain conditions that can attract this kind of capital. If we create the conditions to reconvert the quality of capital, we will have an additional income factor that we hadn't counted on.

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CSO: 8148/2044

BAHAMAS

FNM, UNIONS TRADE CRITICISM WITH PINDLING, PLP

TUC Blast at Pindling

Nassau THE TRIBUNE in English 24 Jul 85 pp 1, 14

[Text]

PRIME Minister Lynden Pindling has been challenged to exhibit the same kind of leadership shown by Communications and Public Officers Union (BCPOU) president Keith Archer by putting his "own house in order."

The Trade Union Congress, umbrella labour organization, was responding to remarks Sir Lynden made about a financial scandal that occurred within the BCPOU earlier this year.

The union's treasurer and auditor resigned and Mr Archer went back to his members for a fresh mandate. He was returned as president by an overwhelming majority.

The TUC said it was appalled that Sir Lynden would stoop so low as to attack the BCPOU and Mr Archer from a public platform.

"It is to be greatly regretted that, after 18 years in office, the Prime Minister cares so little about the highest elected office in this country that he would demean it with such petty, vicious and personal attacks," the TUC said in a statement issued yesterday afternoon.

The TUC felt that the Broadcasting Corporation showed "incredibly bad judgment" by highlighting that segment of Sir Lynden's speech.

"We would have thought that ZNS would want to show the Prime Minister in the best

possible light, and if that was their idea of showing the best side of the Prime Minister then we are forced to conclude that ZNS is contemptuous of the sensibilities of the Bahamian people," the statement said.

The TUC commended Mr Archer and his union for demonstrating the best qualities of leadership.

"When Mr Archer became aware of the fact the union funds were not in order, he suspended the treasurer, who later did the honourable thing and resigned from office, and fired the internal auditor. He called in outside auditors to determine the extent of the damage, and has demanded the return of the union's money," the statement said.

"He also went back to his membership for a new mandate, and was returned to office with a huge majority. There was nothing more that he could do."

The TUC challenged Sir Lynden to follow Mr Archer's example by demanding the resignation of PLP members who were found wanting by the Commission of Inquiry, and to go back to the people for a fresh mandate.

"We will not hold our breath until the Prime Minister does this because honour and principle seem not to have been the hallmarks of the Prime

Minister's most recent behaviour," the TUC statement said.

"The Prime Minister needs to be reminded of that old proverb - 'People who live in glass houses shouldn't throw stones.' After all, the report on the Prime Minister's finances by Insp Richter, revealed many questionable practices."

The TUC said it appears from the Prime Minister's own correspondence that part of the money given to him for a South Andros project was paid to the contractor building his private house. Sir Lynden has denied this, although correspondence between him and building contractor Arnold Cargill suggests otherwise.

The TUC said that Sir Lynden should be extremely careful about accusing others of misappropriating money.

It advised Sir Lynden to put his own house in order before attempting to lecture others about their houses.

The TUC said it is proud of the fact that not one trade union leader's name was called before the Commission, "and we rejoice in the knowledge that the Trade Union Movement has demonstrated a high level of maturity by acting decisively against those members who betray trade union principles. We wish the political leadership in our country would do the same."

#### FNM on Early Election

Nassau THE TRIBUNE in English 26 Jul 85 p 1

[Article by Athena Damianos]

[Text]

**FNM CHAIRMAN Cecil Wallace Whitfield declared today that the party will be prepared if Prime Minister Lynden Pindling calls an early election.**

Mr Whitfield also felt it was not unreasonable to expect that a fresh mandate would be sought before the October Commonwealth Heads of Government Conference.

On July 15, PLP chairman Sean McWeeney announced that the election timetable had been stepped up considerably. Since then, the Hotel Corporation has been busy signing contracts for tourist-related projects and Sir Lynden has been campaigning at public rallies.

"Elections are the opportunity for the people to choose the kind of government they would have. There are circumstances in the country exposed by the report of the Commission of Inquiry last December which, under the system of government in the Bahamas, necessitated elections being called seven months ago and therefore any elections called in 1985 are not

really early elections as such. They're elections that ought to have been called seven months ago," Mr Whitfield said.

"So, if Pindling has been using the last five months to attempt to get an advantage over the parties and personalities who oppose his type of government, then elections before the Queen's visit and the Commonwealth Heads of Government Conference are in order and it ought not come as any surprise to those of us who believe that the convention of the Constitution ought to have been honoured seven months ago."

Mr Whitfield said that it would be in the best interest of the country if the people had an opportunity to choose its government before the conference.

The Bahamian people would therefore "rejoice at being given the opportunity to remove Pindling and the PLP from government."

He said the five month adjournment of Parliament is also indicative of Government's lack of concern for the people's business.

Some FNM members are concerned that the party's executive thinks the PLP is bluffing over an early election and may not be prepared for such an event.

"The FNM will be ready whenever an election is called," Mr Whitfield declared.

"It is the obligation of the FNM to be ready to serve the Bahamian people for five years, in the first instance, therefore whatever is required to be ready will be done because the country cannot afford for the FNM to lose."

According to a 1982 election court ruling, voters may register up to the day the House is dissolved. The same applies to people who want to transfer to another constituency.

An unconfirmed report is circulating that Sir Lynden has marked September 19 down as the election date. An election must be called between 35 and 40 days after the House is dissolved. Some political observers feel, however, that Sir Lynden is eyeing January or February of next year. An election must be called by 1987.

Mr McWeeney reminded a recent news conference that "only one man holds that card"

constitutionally, and all I can say is that whenever he decides to play the card, the party machinery will be...in an optimum state of readiness."

He also announced that the PLP's national convention will start October 28.

Sir Lynden scoffed at earlier FNM predictions that an early election would be called, declaring "election my foot!"

However, there has been a growing outcry for general elections. And there have been recent signs that can be interpreted to mean an early election. After remaining closed for nine years, the Hotel Corporation signed a contract with a wealthy Malaysian company to have the Lucayan Beach Hotel and Casino opened in December.

Resorts International, from whom Sir Lynden indirectly received \$431,000, according to the Commission of Inquiry, announced only yesterday that it will extend the casino and build 250 new rooms on Paradise Island. Construction on the first 100 rooms starts November 1. (Resorts denied all knowledge of any payment to Sir Lynden).

A frenzy of public works is

also taking place. In Nassau, this includes the long awaited airport expansion programme, re-development of Parliament and Rawson Squares and road resurfacing.

Sir Lynden, as Minister of Finance, allocated \$65 million for capital works this year. This is the largest amount pegged to the capital account in a single year that has not been earmarked for a specific purpose such as a hotel project.

Yesterday, Transport Minister Philip Bethel hosted a large number of Exumians to a buffet luncheon at the Pieces of Eight Hotel, owned by lawyer Nigel Bowe, in George Town.

Mr Bethel, who apparently held the luncheon under his "Local Government" portfolio, was accompanied by former Cabinet Ministers George Smith (Rolleville) and Kendal Nottage (St Agnes).

The Commission of Inquiry found that Mr Smith had accepted money from drug traffickers and Mr Nottage, "whether he realized it or not," fronted for a New England drug trafficker/organized crime figure in a Freeport hotel venture.

## Communications Union Attack

Nassau THE TRIBUNE in English 29 Jul 85 p 4

[Article by Anthony Forbes]

[Text]

THE Bahamas Communications and Public Officers union charged today that Prime Minister Sir Lynden Pindling made a "significant and provocative" attempt during its convention last week to discredit the union by trying to imply that President Keith Archer was involved in irregularities in connection with union funds.

The BCPOU said that the controversial areas of "membership dues, union's pension and medical funds," were "thoroughly and extensively

reviewed" by the convention which agreed to deal with the issue in the best interest of the union. The union's funds were audited and auditor Kingsley Munroe had no "difficulty in saying" that no "evidence whatsoever of wrongdoing" by Mr Archer was found.

In a press statement on the ending of the BCPOU's 12th annual convention on a "positive note," the union claimed a "leading public figure" had publicly challenged Mr Archer, who in turn had condemned the

union's former treasurer over the controversial funds issue.

Addressing a mini PLP rally in the Grants Town constituency last Wednesday, the third day of the BCPOU convention, the Prime Minister called on Mr Archer to explain what happened to \$106,400 of the housing project funds in Freeport and monies from the Pension Fund.

"The 1985 annual convention of the Bahamas Communications and Public Officers Union has recently concluded on a

resoundingly positive note with a reaffirmation of the values, principles and objectives of the organization," the union said.

The union said there was also "a strong expression of support for the personal leadership of newly-elected president Keith Archer at a time when the BCPOU leadership and the union itself have been subject to unprecedented assaults sparked by the controversy surrounding the organization's finances."

Held under the theme: "For restoration, trust and stability," working sessions of the convention took place at the Bahamas Public Services Union Hall from July 22 through 25, climaxing on July 27 with a banquet at the Britannia Beach Hotel, Paradise Island, at which time the newly-elected officers were installed.

The three-day convention was attended by a number of delegates from New Providence and the Family Islands, representing union members at the Bahamas Telecommunications Corporation and the Broadcasting Corporation of the Bahamas.

"Although the usual convention business was dealt with, as expected, the convention's main concern was the controversy that developed over the union's finances earlier in the year and which resulted in the resignation of the treasurer," the union said.

"Since this matter first surfaced, there have been persistent allegations of the mishandling of union funds, inside and outside the organization, which not only questioned the honesty of the BCPOU leadership and the credibility of the BCPOU itself but also threatened its effectiveness as an organization," it added.

"The most significant and provocative of such attempts to discredit the BCPOU came while the union was in convention and was made by a leading political figure, who publicly challenged the union's president, Mr Archer, on the question of misappropriated

union funds, with the implication being that he was somehow implicated in such irregularities," the union said.

The union noted that in his presidential report to the union last week Monday, Mr Archer, while admitting the lack of vigilance on the part of union executives, said: "Our former treasurer's abuse of the trust of all of us and most of all the organization, which we hold so dear, is inexcusable, unforgivable and cannot be condoned."

Referring to persons, including union members, who are of the opinion that Mr Archer was involved and the union's audit ought to have reflected that, the union pointed to the report of auditor Kingsley Munroe, a chartered accountant.

In his report to the convention, Mr Munroe said: "Our professional responsibility to this union and any other client of our firm is simply to report the facts as they are. I have no difficulty in saying that we found no evidence whatsoever of wrong doing by Brother Archer."

"In the course of the convention, the matter of the union's finances was thoroughly and extensively reviewed with particular reference to the areas of membership dues and the union's pension and medical funds," the statement said.

"There was a frank and lively discussion of this issue with different views being expressed," the statement said. "The end result was agreement on certain measures to address the matter in the best interest of the organization as well as to ensure insofar as is humanly possible, that such an incident would not reoccur in the future.

"At the conclusion of the deliberations, the general consensus was that, despite whatever personal differences members might have, the continued survival and solidarity of the BCPOU was of paramount importance for the continued promotion and protection of the interest of the workers it represents and that this could

only be accomplished by the closing of ranks by the membership to combat the most serious challenge to be faced by them as an organization," the union said.

"In fact, in keeping with the theme of the convention, the whole exercise of reflection, stock-taking and soul-searching concluded in an atmosphere of cordiality, comradery and mutual respect characteristic of the BCPOU spirit," the union said.

"This was exemplified by the fact that the member who opposed Mr Archer for the presidency of the union in the recent election (Harold Carter), and the recognized leader of the opposition in the union, was the one to initiate an appeal for support of the president and renewed commitment to the organization during this particularly trying time in its life," the union said.

The statement said that the newly-elected leadership of the BCPOU have re-committed themselves to do the job for which they were elected.

"That is to represent the interest of the membership of the BCPOU to the best of their ability, without fear or favour and to continue to vigorously pursue those programmes and objectives that have made the BCPOU one of the most dynamic and progressive workers' organizations in the country," the statement said.

"Finally, the BCPOU wishes to express its deep appreciation for the numerous expressions of encouragement, support and solidarity received from concerned members of the public in this the union's darkest hour.

"In the final analysis, because of the distinctive character of the organization and its history of meeting and overcoming such challenges stronger and more united than before, the BCPOU has no doubt about the ultimate outcome of its latest trial as a force to be reckoned with in this country despite the best efforts of those who may wish it to be otherwise," the union said.

Whitfield Call for Militancy

Nassau THE TRIBUNE in English 31 Jul 85 p 1

[Article by Marcia Bethell]

[Text]

**CECIL Wallace-Whitfield, National Chairman of the Free National Movement, last night called on all Bahamians to become more "charged, militant and determined" in their effort to rid the Bahamas of Prime Minister Pindling and his "corrupt" PLP government.**

Declaring that he has made up his mind that "Lynden Pindling has got to go" and that only Jesus Christ can change it, Mr Whitfield said the Free National Movement have been intimidated for too long by the PLP, and will take no more.

This morning, following Mr Whitfield's strong remarks at the FNM "Save the Nation Rally" last night, a bomb threat was made at Mr Whitfield's law firm on the second floor of the Mosamar Building, Queen's Street.

At 11:10am a woman caller told a secretary that a bomb was in the office. She did not say where it was or when it would go off. Because the office is located in the same building as the American Embassy, which is heavily guarded by security and a metal detector, the staff were not worried and did not evacuate the building. The bomb squad was called, a search made, but nothing discovered.

"Not only will we demonstrate, we have to become more charged, more militant and more determined than ever before," Mr Whitfield told the rally. "I have made up my mind that Lynden Pindling has got to go, whatever it takes to get rid of him we will do it. And you know when I make up my mind Jesus Christ and his heavenly host will have to come down and tell me I am wrong for me to change it," Mr Whitfield declared.

Saying that the FNM have been too soft, allowing themselves to be intimidated, Mr Whitfield stressed that no FNM will back down from Pindling or a PLP again.

"From here on in we intend to demonstrate to Pindling and the world that we demand to be treated with respect in our own country by those whom we send to Parliament. We will not have a corrupt government in our land. We will tell the world, and if it means being arrested and degraded we will suffer that indignity and that arrest, but by damn Pindling, when we come out you better be gone," Mr Whitfield said to the roar of about 500 persons attending the rally.

The Member for Pine Ridge said that Bahamians are in a dangerous situation because the Prime Minister is still Prime Minister and now Minister of Finance. He stressed that the struggle is not an individual one, that the FNM cannot get rid of the PLP alone.

Mr Whitfield mentioned former PLP members Hubert Ingraham and Perry Christie who, he said, have taken their political lives in their hands and spoken up against the PLP. He recalled that in 1970 he took the same position when he saw wrong being done.

"Pindling said once he was prepared to sign a pact with the devil. Well I am prepared to sign a pact with the unions, the Ministers, Hubert, Perry and all of them to get rid of Pindling," Mr Whitfield said.

The FNM Chairman condemned the Prime Minister for spending millions of dollars on a "show and parade for his own political benefit" when the Bahamian people are suffering.

"The Queen and Heads of Government don't live in the Bahamas. We live in the Bahamas and we demand that roads and public facilities be fixed for our benefit. But he is spending millions of dollars to have a parade and show at our expense. And he will come as he has come before and say 'I love the Bahamian people' but what he loves about the Bahamian people is what they have done for him," Mr Whitfield said.

PLP Reaction

Nassau THE TRIBUNE in English 1 Aug 85 p 4

[Article by Anthony Forbes]

[Text]

FREEPORT, Grand Bahama - Official Opposition leader Kendal Isaacs has been called upon to immediately disassociate himself from remarks made by FNM Chairman Cecil Wallace-Whitfield that he will get rid of Prime Minister Sir Lynden Pindling by whatever means it takes before the next election.

Prime Minister Pindling and PLP Chairman Sean McWeeney told over a thousand supporters at a rally last night that if Mr Isaacs or FNM treasurer Orville Turnquest had made the statement, they would not have taken it seriously.

Prior to the start of the rally, about 27 FNM protesters wearing placards and led by Marco City MP C A Smith demonstrated in front of Workers House, site of the meeting for about an hour. They stopped about five minutes before the Prime Minister arrived.

The demonstrators, which also included a child, at times exchanged insults with PLP supporters who watched the demonstration from the second floor of Workers House and from outside the building.

The Prime Minister, who promised to deal with the matter in detail at next week's meeting of the PLP in the Blue Hill Constituency in Nassau, said the question now remains whether the FNM, Mr Isaacs and Mr Turnquest wish to associate themselves with "murder."

However, the Prime Minister only briefly referred to the \$106,400 allegedly missing from the Freeport Housing Project of the Bahamas Communications and Public Officers Union, which he told a PLP rally in Nassau last week he would deal with last night.

Over 1,000 supporters jammed Workers House, headquarters of the Grand Bahama branch of the Bahamas Hotel Catering and Allied Workers Union. Hundreds filled the seats while hundreds more stood at the rear and the sides of the room. In addition, over 100 more sat and stood outside the building.

Other speakers at the rally included Minister of Works Darrell Rolle, former Youth Minister Kendal Nottage, Fort Charlotte MP Valentine Grimes, Senator Ruby Ann Darling and ex-Senator Austin Grant, the northern region vice-chairman.

Addressing the PLP crowd in what he termed the "front yard" of Mr Whitfield's Pine Ridge constituency, the Prime Minister said that the collapse of the disclosure case of Mr Isaacs and Mr Turnquest brought to an end the political agenda of the FNM.

He reminded supporters of a FNM rally earlier this year when Mr Whitfield looked at his watch and said that the FNM would be in power the following day but nothing happened.

"Now the bottom having fallen out of the bucket it seems to me that Cecil Wallace-Whitfield has hatched a new premeditated plot, a new plan and a new strategy to get rid of Pindling by whatever means it takes," the Prime Minister said.

Repeating the same question asked earlier by Senator McWeeney as to whether the FNM chairman's remarks should be taken seriously, the Prime Minister told supporters he came to the same conclusion that the PLP chairman came to.

"You see, I agree with him that if Isaacs or Turnquest who

in political terms don't know when water is boiling, had said what Cecil Wallace-Whitfield had said, nobody would have paid them any attention," the Prime Minister said.

"But, the leopard has broken out of the cage which the FNM had put him in since 1981 and they have been trying to keep him quiet and keep him cool so people could forget what the real thing is like and they have put the shadow in front pretending," he said.

"But the question now is the leopard having broken out of the cage can a leopard change his spots? That is the question. Can a leopard change his spots?" the Prime Minister asked.

"That is a serious situation, a very serious situation. That is why the chairman called on Isaacs to say something. He has got to say something," the Prime Minister said.

He said the FNM has all week to do so and that the Opposition youth arm of the Torchbearers Association is in convention which started last night and they would be on ZNS every night this week although they say ZNS doesn't pay them any attention.

"If ZNS don't pay them any attention, how come I hear his voice on radio this morning? Free lying time gone, now it's time to pay," he said.

"During this week they have got to say something. The country must hear them. So called responsible leaders have got to say something," the Prime Minister added.

Declaring that God is wonderful, the Prime Minister said that the rally was being held in the heart of the Pine Ridge constituency which is one of the things that might have "blown" Mr Whitfield's mind

when he heard of the meeting in his "front yard."

"Well, next week, we are going in the front yard of Arthur Foulkes. That's where I will deal with this in detail after I've seen the exact words of the whole thing, providing he let me live by then," the Prime Minister said.

Telling the crowd why the matter is serious, he said Mr Whitfield stated that he would

get rid of him by whatever means it takes before the next general election "and since he don't know when the next election is, that could be by next Wednesday."

He said it makes the responsibility of every PLP that much greater and makes it very necessary for each PLP to act responsibly and be a proper citizen respecting the rights of all citizens to agree or disagree.

### Torchbearers Meeting

Freeport THE FREEPORT NEWS in English 1 Aug 85 p 3

[Text]

NASSAU — Ear-piercing whistles and chants of "L.O. gatta go" rang out in a room filled with Free National Movement supporters at Loews Harbour Cove Hotel, Paradise Island, Wednesday night as members of the opposition party and their youth arm, the Torchbearers' Association, gathered for the opening of the Torchbearers' Association's "Convention '85".

Speaker after speaker stood before the gathering to chastise the Prime Minister and members of the Progressive Liberal Party for what they alleged was their mishandling of the nation's affairs and reputation.

During remarks made by one speaker charges were levelled on the air against Radio Bahamas, which had provided live broadcast for the opening of the convention, for blatant censorship. At one point, a fervent supporter scuffled with a member of the ZNS-TV camera crew, resulting in its departure.

As the Free National Movement's Action Group chairman, George Wilson, prepared to address the gathering with a prepared speech, he declared that the manager of the Broadcasting Corporation of the Bahamas, Calsey Johnson, requested that he not read certain portions of

the speech and that he had agreed. He then declared that he would read none of it, but would make a much more damaging speech instead.

Shortly after he began, accusing the PLP of being responsible for "basing" among Bahamian youths. He stopped and addressed the audience with charges that he was no longer on the air and that music was being broadcast instead. He then proceeded to read in its entirety the speech he had previously discarded.

"If at any time in the history of this nation, when we recall the words of Winston Churchill, 'surrounded on all sides by corruption and ineptitude,' it is now. Yes, we can say the prayer of Jesus in the Garden of Gethsemane, 'Father, if it be thy will, let it pass from us.' But like Jesus in the garden, this cup that history passes to the FNM cannot pass. It cannot pass because democracy is at stake. It cannot pass because the very survival of this nation is at stake. And it cannot pass because, in the words of the Torchbearer theme, Saving the nation for future generations," said Mr. Wilson.

As he continued reading his speech, he noted that radio coverage of the convention had been resumed. "I understand

that I'm back on the air and they might go to music again now, because I say the PLP and the Progressive 'dope pushers' are responsible for the vast quantity of drugs that have passed through this country," Mr. Wilson said. "We're off the air again. The PLP and their band of corrupters are responsible for the moral disintegration of this nation. They don't want hear it, though."

The leader of the Free National Movement, Kendal G. L. Isaacs, delivered the official opening remarks. The Torchbearers Association, he said, was established at the same time as the opposition party in 1971, because of a commitment by the party to open new doors and to create a better future for all the young people of the nation. "It took some time for that so-called progressive political entity to catch up with the idea, so now the Torchbearers Association is the most powerful national youth, political organization ever in the history of the Bahamas," he said. "Torchbears, I am proud of you, proud to be your leader and proud to know that as the seniors of our party leave the political arena, they will leave the torch in strong and faithful hands.

"I urge you now to redouble your efforts to emerge from this great convention with a renewed commitment to rid the country of the PLP Government. Then, together we will begin the task of reconstructing our country.

"We will demonstrate, we will march, we will rally, we will fight

in Parliament it opens again. We will go to the courts. There will be many battles and each one will have to be fought. We know we will lose some and we will win some but we are confident that we will win the war," he said.

Mr. Isaacs then explained to his enraptured audience that his recent case against the Public Disclosure Commission was not a victory for the Prime Minister, but merely a battle won on a technicality. He charged the Prime Minister with not explaining his acceptance of \$16,000 from his constituents in Kemp's Bay and hundreds of thousands of dollars from George Barber and Edward St. George. "Sir Lynden has a great deal more to explain to the Bahamian public and his picking on trade unions and others will not serve as a smoke screen to cover up for his corrupt government," Mr. Isaacs said.

In closing his address, Mr. Isaacs called on the Torchbearers to help in the fight against the PLP. He said, "You must hold up proudly to the young people of our nation the ideals of good manners, respect for other people and their property; kindness, gentleness and decency. And together we must restore respect for our democratic institutions and our institutions of law and justice.

These are all tall orders, but I know that working together with the help of God we will be able to build a new Bahamas which will be respected by our own people and the free nations of the world."

Pindling at PLP Rally

Freeport THE FREEPORT NEWS in English 1 Aug 85 pp 1, 2

[Article by Simon Lewis]

[Text]

**Prime Minister Sir Lynden Pindling told cheering Progressive Liberal Party Supporters and others who had come out to hear him speak at a rally Wednesday night that things are on the upswing on Grand Bahama, but he also stated that he would not be surprised if the current oil situation forces the Bahamas Oil Refining Company (BORCO) to close by the end of the year.**

**Sir Lynden said that increased tourism and construction expansion will help to offset some of the redundancies. He warned however that those persons making huge sums at BORCO and other companies cannot go into other unfamiliar industries and expect the same.**

The nation's leader told a large audience attending the PLP Rally at Workers House that he know how tough things were on Grand Bahama and "I know how much hell you put on me, but that's ok, I know how it feels."

"Tonight, I could tell you that things are on 'the move, that things are on the upswing. I know, because I am Minister of Finance now. I not only know, I don't have to go by what nobody tell me no more, I could go by what I see and feel myself."

Sir Lynden informed his audience that the external reserves of The Bahamas increased by \$77.8 million between December 31, 1984 and June 30, 1985. "I say that, that is a solid expression of confidence in our Bahamas" he stated.

The Prime Minister noted that he had not gotten the latest figures from the Ministry of Works up to June 30 but that he had the figure for the first quarter of the year. He said those figures revealed that for the first quarter 1985, there were 29 percent more building permits issued, 12% more buildings started "But what was more

important than permits that were issued and buildings that were started, 50% more of those buildings were completed in the first quarter of 1985 than the same first quarter in 1984. More evidence of a fellow putting his money where his mouth is and putting it down here in solid rock and concrete because he has confidence in your government" he stated.

He said that "whether the Free National Movement (FNM) likes it or not, we are the Government that you elected. They didn't elect it. If they want to raise hell with anybody, don't raise hell with poor Lynden, I am a li'l fellow, raise hell with you."

The Prime Minister said that another indicator that the economy is on the move upward is the fact that the money supply, "that is amount of money in circulation for the same first quarter, January 1, 1985 to March 31, 1985 has been ten percent more money....\$62

million more in circulation in The Bahamas in the first quarter of 1985 than there was in the first quarter of 1984.

"Again a definite positive sign, concrete evidence of confidence in the economy of The Bahamas" he stated.

Sir Lynden pointed out that for the first half of the year, more than one Million visitors had already arrived in The Bahamas.

He said that "up to the 30th day of June 1985, 1,392,370 tourists visited our Bahamas. I been all through the region and they still trying to reach 300,000. Again, evidence, proof positive of confidence in our Bahamas.

"Now that is the first half of the year" he stated. "I could tell you that the second half looks even better than the first half was, because that first half that I was telling you about, reflected only modest growth in Grand Bahama. In the second half of 1985, Grand Bahama is going to come on stream.

"It is in the second half of 1985 that the economy of Grand Bahama is going to come alive" he stated.

Sir Lynden went on to explain factors that had resulted in layoffs by major companies like the Bahamas Oil Refining Company and Bahama Cement.

He said that international economic developments have been hitting the economy of Grand Bahama very hard over the last few years. He said that "Freeport was a special creation.

The economy of Freeport was a special creation. The economy was put in place in Freeport to take advantage of certain international economic factors that were going on at that time.

"If those international economic factors change for good, fine, if they change for the worst, tough luck. But that ain't got nothing to do with Pindling, it ain't got nothing to do with any government, because those factors were influenced by international situations above and beyond our control."

He gave as example the Bahamas Cement Company which he said came about as the result of a construction boom in Florida. He said that the construction boom has ended and the company does not need to make as much cement, thus, they don't need all those employees. He said that the factor was not put there to accommodate the Bahamian people.

He noted that such was the case with BORCO and BURMA. He said that the company came about because of the huge demand for oil, but that the demand ceased when the price of oil escalated to such a point that the demand dropped. He said that the huge escalation in oil prices by Arab countries has been the cause for increase in electricity and gas costs.

Focusing on the BORCO situation, Sir Lynden noted that the company has simply run out of customers to sell it.

"BORCO is down on its last leg and I may as well tell you. I don't have nothing to do with it. "The Government does not have anything to do with it. But don't be surprised if BORCO closes "I might as well tell you." I have to let you know, he added.

Sir Lynden went on to tell his audience that it does not make him feel any happier that Bahamians have to be indefinitely laid off. "But you ought to know," he stated. "The situation in the international oil industry has changed completely.

"And, what BORCO is now doing the world does not now need. And so, BORCO may have to shut down completely by the end of the year" he stated. "It may happen. I cannot tell you that it will, I will not be surprised however if it does."

Sir Lynden went on to tell his audience that tourism is going to rebound strongly on Grand Bahama.

He said "Due to the already extensive layoffs in BORCO and Bahamas Cement and what may still come, it is therefore necessary to give an extra push to the construction industry in

#### Grand Bahama.

"Now on a word of caution: there is no way that the fellows who were performing scientific functions at BORCO at high pay can expect that they are going to get that same kind of pay being a 'stud Mechanic' (carpenter helper). I may as well tell you from the jump, it can't happen" he stated.

"But a job is better than no job. And we therefore have to adjust our mental framework, get our skills together and do the best we can with what we have got."

#### McWeeny Warning to FNM

Nassau THE TRIBUNE in English 6 Aug 85 p 4

[Article by Anthony Forbes]

[Text]

THE Official Opposition Free National Movement should take the "very greatest care" to ensure that "no harm" comes to Prime Minister Sir Lynden Pindling if it has any interest in preserving the democratic process, peace, order and good government of the Bahamas, PLP Chairman Sean McWeeny has warned.

According to the PLP Chairman, should the FNM be so foolish as to embark on such a "nefarious campaign," the kind of fury that will be unleashed throughout the Bahamas, "in its proportions and its parallels," will be too frightening to contemplate.

Sen McWeeny told a PLP rally in Freeport last Wednesday night that FNM Chairman Cecil Wallace-Whitfield "opened up a number of options and alternatives" by declaring that he will get rid of Prime Minister Sir Lynden Pindling "no matter what it takes."

He said the FNM chairman's statement was the most "omnious" and "threatening" ever issued from the lips of any political leader and is the "complete and utter betrayal" of the democratic ideals to which all political parties in the Bahamas are sworn to subscribe.

The PLP chairman said Mr Whitfield has never been known for moderation or to have a sense of judgment, and his statement revealed clearly that he is "prone to reckless and irresponsible behaviour" which makes him unsuited for leadership in the country.

Senator McWeeny also called upon Official Opposition and FNM Leader Kendal Isaacs, QC, MP for Delaporte, to "immediately" disassociate himself and the party from the statement made by Mr Whitfield at an FNM rally at the old St John's schoolground.

"Not by any pretence, not by any illegitimate seizure of

power, not by any foot-breaking strategy, Lynden Pindling and the PLP rule this country today because in successive general elections, the people of this country have expressed their confidence and have put their faith and support in Lynden Pindling and the PLP," Senator McWeney declared.

The rally, held at Workers House, the Headquarters of the Grand Bahama Branch of the Bahamas Hotel, Catering and Allied Workers Union and attended by over 1,000 supporters, was also addressed by the Prime Minister, Works Minister Darrel Rolle, St Agnes MP Kendal Nottage, Fort Charlotte MP Valentine Grimes and Senator Ruby Ann Darling.

"You see, when you talk about the democratic process and when you talk about 'no matter what it takes', there is only one thing it ever takes in a democracy to become the government of a country and that is to have the support of the people," he said.

"That is what the PLP has had in successive elections since 1967," he said, adding that Mr Whitfield, MP for Pine Ridge, Grand Bahama, seems to have something else in mind.

"They have been beaten in all elections since 1972. I think they understand the signs of the times sufficiently well to know that they will be beaten again the next time around," Sen McWeney said.

"It is for that reason that they have got to start groping around for something else besides the people to take them out of their misery because we have always gone back to the people, we will always go back to the people, it is always the people who have returned us to the position of power and will always return us to the position of power," he said.

"But as I heard, Mr Whitfield last night opened up a number of options and alternatives. He said that no matter what it takes to get rid of Pindling, we're going to do it," he said.

Asking what Mr Whitfield means by "no matter what it takes," Sen McWeney told supporters that it is not a matter to be taken lightly.

"It is not a matter to be taken lightly. If it came from Kendal Isaacs (Official Opposition and FNM Leader) I would have taken it lightly. If it came from Arthur Foulkes, I would have taken it lightly. But it came from Cecil Wallace-Whitfield," he said.

"He told you himself last night that you'd better take him seriously because there is no man on earth who can change his mind. Not only Jesus Christ mind, he made it clear. He did not say that Jesus Christ can change his mind. He said Jesus Christ would have to come with the heavenly host to change his mind," he said.

"I think that all Bahamians, certainly all responsible Bahamians will have to join with me in unreservedly condemning of the Leader, I use that word advisedly, Leader of the Free National Movement and its National Chairman, Mr Cecil Wallace-Whitfield when he said that no matter what it takes, Pindling has got to go and that they will do whatever they have to do to get rid of Pindling the next go around," he said.

"That, I believe, is the most ominous, the most threatening statements ever issued from the lips of any political leader," he said. "That, to me, is the complete, utter betrayal of the democratic ideals to which all responsible political parties in this country are sworn to subscribe. I believe he ought to be ashamed of himself for having made such a statement."

Declaring that there is something else that the FNM Chairman ought to know, Sen McWeney said that the truth of Mr Whitfield's problem is that he has never quite been able to understand why it is that, with all of the "great qualities" he is supposed to possess, from 1970 to 1985, "he has been beaten at every turn

and at every corner by Lynden Pindling."

"That is his basic problem and I can understand the depths of his frustration. But I will tell him something tonight. Because if he is talking about no matter what it takes, I will tell him what it takes because what it takes is leadership of the statue of Lynden Pindling," he said.

"Lynden Pindling, I said it before and I will say it again, is no usurper. Lynden Pindling is in power today because he has had the confidence of the Bahamian people expressed in him in free and democratic elections that goes back a long, long way, all the way back to 1967," Sen McWeney said.

"Cecil Wallace-Whitfield is a man who has never been known for moderation. He has never been known to have a sense of judgment and as his remarks last night revealed, he is clearly prone to reckless and irresponsible behaviour which show him clearly unsuited for the position of leadership in this country," he said.

"But I don't think we can let him get off as easy as that. It is not as simple as just telling him that the thing that he said was a bad thing but I think it is important to say two things," Sen McWeney said.

"The first thing is this, I believe that all of us who have an interest in preserving democracy in this country ought to understand certain fundamental realities upon which that democratic process depends.

"Let me tell Mr Wallace-Whitfield tonight. Let me tell his colleagues in the FNM. Let me tell his violent-prone colleagues in the Action Group tonight that if they have the slightest interest in preserving the democratic process in this country. If they have the slightest interest in preserving the peace, order and good government of the Bahamas, they ought to take the very greatest of care to see that no harm comes to the person of Lynden Pindling," he said.

"They should not be so foolish as to embark upon that kind of nefarious campaign. The kind of fury that will be unleashed in this country from one end to the other, it is the fury in its proportions and its parallels too frightening to contemplate," he said.

"As I've said so many times before, the FNM's problem is that they always want to throw the baby out of the back door and they make these irresponsible statements, they

make these ridiculous statements, all in the name of getting some frenzied political advantage for the sake of their blood-thirsty supporters, not considering the long-term implications of these things," Sen McWeney said.

"Well, I can tell you that as a party that is dedicated to preserving the process of democracy in this country, let me invite them, we implore them to retreat from considering anything stupid," he said.

#### Whitfield Response

Freeport THE FREEPORT NEWS in English 6 Aug 85 p 2

[Text]

**NASSAU — Declaring that "Whatever needs to be done will have to be done by all of us to rid our country of this corruption," Cecil V. Wallace-Whitfield, national chairman of the Free National Movement told the Torchbearers' Convention Friday night that "there will be no shedding of blood" and that Prime Minister Sir Lynden Pindling "is under no threat of murder from me or any FNM."**

Mr. Whitfield, who came under criticism from even some persons in the FNM because of his call to be "militant" at an FNM rally on Tuesday night, emphasised that "we wish no physical harm to befall him ... touch not a hair of his head ... but, he got to go."

"But I do not speak for the Mafia," he added, "who has not yet got a casino licence. Yes, Pindling, apartheid is an evil influence in our country. And it must go."

Mr. Whitfield urged the Broadcasting Corporation to play the whole of his speech made at Tuesday's meeting "so that the people can understand what I had to say ... but I know that real freedom is not come by upon an easy road ... for any progress there must be a struggle and for me personally, I have been smeared by my enemies with the innuendo of murder for many, many years."

According to the FNM chairman, I will be smeared again... but it is a cross which I will bear with dignity and without fear ... I will walk through the valley of the shadow of death ... I fear no evil ... I am prepared to go to jail — to be vilified — to die if necessary — but Pharaoh Pindling — let my people go."

Mr. Whitfield's address was delivered in convention at Loew's Harbour Cove, and was not supposed to be carried live, it was learned, because the written copy of the speech was not at ZNS in time for Friday's 1.00 p.m. deadline.

"Moses was thrown out of Egypt to save his people," said the chairman. "He was victimized and spent his years in the desert, I was with the Egyptians, but like Moses left to prepare myself for this great struggle to free my people."

"Pharaoh Pindling — you hear me — let my people go. Pindling brand of apartheid and double standards and double talk; where he and Sean McWeeney have called upon Kendal Isaacs and Orville Turnquest to disassociate from me.

"Pindling as leader of the PLP (Progressive Liberal Party), Prime Minister of the Bahamas has not disassociated himself from Everette Bannister, George Smith and Kendal Nottage, who were condemned by the report of the Commission of Inquiry.

Mr. Whitfield told the young people that "some of us are concerned about our ministers of religion ... let not your heart be troubled .. ministers of religion of all denominations know the precepts and the principles of being our brothers keeper better than most of us."

"They know the heavy burdens which their congregation carry," said the 55-year-old party chairman. "They hear the problems and fears of the people daily. Fear is a monster and great destroyer of men and women. Remove the fear and our people will stand tall in the liberty wherewith Christ had made them free. Anyone who remembers the story of the feeding of the multitude by Christ with five loaves and two fishes realize that His ministry was to the body as well as to the soul.

"I invite you of every denomination to join us in this struggle to protect your flock wherever they live. Whatever it is you have to do, in the name of God do it. Generations of our sons and daughters need your help and your guidance in this drug troubled land, in these troubled times."

He told Torchbearers delegates that "some of you know me well ... others don't know me at all ... please don't stand off and condemn me on rumours or wrong impressions gained behind my back ... call me at home or at my office. .. let's talk so that we can understand one another, and unite in a common bond to overcome the evil in our land."

According to Mr. Whitfield, a lawyer, "Grand Bahama is a great country ... no one can say truthfully that the people of Grand Bahama are difficult to deal with ... one difficulty with tourism in Freeport was that visitors preferred to go elsewhere in The Bahamas where they were treated better."

He claimed that when tourists tried to come to Grand Bahama "they were directed to Nassau through government interference."

"The people in Grand Bahama," he said, "welcome tourists to Grand Bahama and treat them as well, or better than any place in the world. But under Pindling apartheid, he thought he could break the free spirit of Grand Bahama, but in the Northern Bahamas we love and cherish our freedom."

"Thank you again Pine Ridge for choosing me as your Member of Parliament, and for the opportunity to tell Pindling please tell the truth about us in the future."

In an impassioned speech, Mr. Whitfield said "I have remained true to the principles which I espoused since my first entry into politics as a youthful crusader, and so I have remained young at heart."

The chairman emphasised that Bahamians are "oppressed" by a Pindling brand of apartheid, and that under the Prime Minister's "brand of government political division and fear of victimization dominates every facet of our lives."

He emphasised that "put in fear of losing their jobs unless they support Pindling and his crowd; "yet they talk about the democratic process."

"What form of democracy," he added, "was brought to bear upon the jobs of Judy Mae Lewis, Bulla Hanna and Funky Demeritte, or was this an example of Pindling apartheid? Ask Leonard Archer, he will tell you. Ask Boston Blackie, he will tell you too. Every year more and more of our children graduate from schools with handfuls of qualifications and hearts full of hope."

"Parents who scraped and saved to put their children through school moan and groan in agony years after their children graduate and can find no job in a country ruled by Pindling. Qualifications hard earned by sacrifice remain unused and their hope after years of joblessness turns into despair. Our women and children are brutally raped while in their homes, on their way to or from work and school. They have no guards and body guards and no motorcycle escorts.

"Our women live in constant fear of being violated. Our homes are not safe. The streets are not safe. There are not enough policemen to guard and protect the people. But call a march or a demonstration outside the House of Assembly or on Paradise Island Bridge and the whole police force is turned out under the Pindling PLP government.

"Try driving over the roads where the people live. Full of holes. And after a rain full of mud and water. But, the roads over which the rulers drive are paved.

"I am fed up with Pindling apartheid because it hurts my people and I feel their pain. All we get from Pindling and his minions are high handed decisions, always to the prejudice of those who hold an opposing view. Last Wednesday I expressed my agony over the conditions of my people. Pindling has said he has no brothers and no sisters. He said that, not I.

"I believe that he hates the Bahamian people and only use us for his own selfish purposes."

Mr. Whitfield told Torchbearers that the Prime Minister "is using millions of dollars from the Public Treasury to put on his big magnificent show and parade for the Queen and heads of Commonwealth Governments who do not live under the terrible conditions which he has created."

#### Pindling Blast at Whitfield

Nassau THE TRIBUNE in English 8 Aug 85 pp 1, 5

[Article by Anthony Forbes]

[Text]

FREE National Movement Chairman Cecil Wallace Whitfield is prepared to sign a pact with the "devil," the unions and former Cabinet Ministers Hubert Ingraham and Perry Christie to "get rid" of Prime Minister Sir Lynden Pindling, the PLP Leader declared at a mini rally last night.

Sir Lynden said that what happened on Wednesday night at the Torchbearers Convention on Paradise Island, when ZNS Special Projects Manager Ed Bethel was struck on the neck and another ZNS employee was allegedly hassled by FNM supporters, seemed to "fit in" with what Mr Whitfield, "the real Leader," was saying on Tuesday night.

He said that a complaint has been made about the incident to the police which is conducting an investigation.

The Prime Minister said that he would be a fool if he did not take "seriously" the statement made by Mr Whitfield on Tuesday, July 30, that he would get rid of him whatever it takes, a remark which "shocked the nation" and "reverberated" from Inagua to Abaco.

The Prime Minister also said that he took seriously Mr Whitfield's second statement on Friday, August 2, at the FNM Torchbearers Association convention in which he urged supporters not to let any "harm" come to the Prime Minister.

Addressing hundreds of supporters at the S C McPherson Junior High School in the Blue Hills Constituency, the Prime Minister declared that Mr Whitfield, whom he referred to in his opening remarks as a "leopard," has a split personality.

Several high ranking party officials, including Chairman Senator Sean McWeney, St Agnes MP Kendal Nottage, Fort Charlotte MP Valentine Grimes, Grants Town MP Bradley Roberts, Fox Hill MP Frank Edgecombe and Everette Bannister, attended the meeting.

Reminding the crowd that at last Wednesday's meeting in Freeport, Grand Bahama, his topic was: "The leopard breaks out," the Prime Minister declared: "The leopard has returned to his cage."

"I cannot say for how long. You cannot say for how long. The leopard doesn't know for how long. But for the time being, the leopard has returned to his cage," the Prime Minister said.

"What I think we saw last week is a leader who is torn between frustration and desperation, between exasperation and aggression," he said. "What we saw last week, I believe, is a leader suffering from a split personality."

"What we saw last week, I believe, is a leader divided between himself, a leader who I know has a heart of gold, but who I also know has a head full of fire," he said.

"What we saw last week, I believe, is a party divided between the rational on the one hand and the irrational on the other," he said.

"Last Tuesday shocked the nation. It reverberated from Matthew Town to Marsh Harbour. No one could believe their ears. For several reasons because different things caught the ears of different people," he said.

He said that some people's ears were caught by the belligerence, the rowdiness, the boisterousness of the voice, others ears were caught by what seemed unmistakably clear to them to be a threat of harm or even death.

The Prime Minister also accused Mr Whitfield of invoking

the name of the Almighty in vain for political purposes, the first time he has heard a politician do so in his 30 years of political activity, he said.

"Now that is the part that got to a lot of people. Evangelists, Ministers, Bishops, prayer bands, they want to know what that means," the Prime Minister said.

He said that the answer to Mr Whitfield's frustration is found in his speech of July 30, when the FNM Chairman declared: "There is no way that after the next election that we can tell them we didn't win again, that Pindling won."

"Therefore he says: 'I am prepared to sign a pact with the devil as Pindling said he did. I am prepared to sign a pact with the unions and with the Ministers Hubert and Perry and all of them to get rid of Pindling,'" the Prime Minister told the rally.

"He was just describing how he was at the end of the line. That he is prepared to do anything, whatever it takes," he said.

He said that Mr Whitfield's other statement that he is prepared to suffer indignity and arrest but when he is released "Pindling had better be gone," shows he is a leader torn between exasperation and aggression.

Asking where does Pindling have to go, the Prime Minister said: "Pindling does not intend to go anywhere."

Reading an excerpt from Mr Whitfield's address to the Torchbearers Convention on Friday, August 2, which urged FNM supporters not to allow any physical harm to befall the Prime Minister and not to touch a hair on his head, the Prime Minister said the statement was from the "same man, out of the same mouth."

"The only difference was the place. One was at the St John's College park and the other one was at the Loews Harbour Cove Hotel. The same man, same voice, same name, the same head, I don't know which side of the head," he said.

Noting that he asked in Freeport whether he should take Mr Whitfield seriously, the Prime Minister said: "I have

come to the conclusion that I'll be a fool if I didn't."

Asked whether what Mr Whitfield said on Tuesday night should be taken seriously, the crowd responded with a collective "yes," but asked if he should take the Friday night's remarks seriously, many of the crowd yelled "no."

"I will have to disagree with you. I take seriously what he also said on Friday night. I'll tell you why. I'll tell you why I take seriously what he said on Tuesday night and why I take seriously what he said on Friday night because I believe he meant both of them," the Prime Minister said.

"He meant what he said on Tuesday night and he meant what he said on Friday night except that it was two different Cecil Wallace-Whitfields who spoke, one spoke on Tuesday and one spoke on Friday," he added.

"I believe that he meant both of them, that he spoke both of them from deep within his heart and with equal fervour. I know Cecil Wallace. We went to school together. I've said before we know he's got a heart of gold but I also know that he's got a head that's full of fire," he said.

"It was Cecil Wallace who is full of fire who spoke on Tuesday. It was the Cecil Wallace with a heart of gold who spoke on that same Friday," he said.

He said that what Mr Whitfield said would not have been important if he was not an important man.

"You see, it's important because he is the real leader of the FNM. Kendal Isaacs is only the nominal leader of the FNM," he said.

He said that when Mr Whitfield speaks, everybody in the FNM listens, while when Mr Isaacs speak, "you could hardly listen because you can hardly hear him and when you do hear him he ain't saying nothing."

"You see, what happened on Wednesday night just seemed to fit in so completely with what the real leader was saying on Tuesday night," he said.

"If Cecil Wallace-Whitfield hadn't said what he did, would it have happened," he asked supporters, who replied with a resounding "no."

Nassau THE TRIBUNE in English 19 Aug 85 p 1

[Text]

THE Official Opposition Free National Movement will start taking the party to the people in the form of Community Forum meetings in preparation for a general election whenever one is called, Secretary General L Garth Wright declared today.

"These Forums are designed to allow constituents to participate in the political process by joining with party leaders to articulate the problems affecting their areas," Mr Wright said.

The FNM secretary general said that the first of such Community Forum meetings will be held tomorrow night at Grant and Dorsett Streets in the Fox Hill Constituency.

Speakers will include Official Opposition and FNM Leader Kendal Isaacs, QC, MP for Delaporte, FNM Treasurer Orville Turnquest, MP for Montagu, insurance executive Fred S Ramsey, candidate for Fox Hill and local community leaders from the constituency.

On Thursday, Mr Wright said that another Forum meeting will be held on Cordeaux Avenue in the Engleston Constituency.

There again Mr Isaacs will be the principal speaker with other addresses to be given by Mr Alvy Penn, Mr Edmund Moxey, Mr Peter Galanos, Action

Group Leader George Wilson and others.

"These Community Forum meetings will be held in the majority of New Providence

constituencies," he said. "From time to time there will also be mass rallies and Family Island visits."

Mr Wright said that all FNM supporters and interested persons are invited to attend "and help to rid this country of the diabolical and dictatorial government of the Progressive Liberal Party."

"The FNM is on the move. We shall not rest or vary until freedom is won for our people," Mr Wright said.

"We invite all Bahamians who are interested in seeing their country return to freedom, to come out and hear our speakers discuss the burning issues," he said.

"The country is tired of sweet talk and rhetoric. We don't want to hear about nonsense. We want to rid the country of corruption, of dope pushers, unemployment, crime and rape," the secretary general added.

Mr Wright said that the FNM is preparing itself "for an election whenever it is called."

CSO: 3298/980

BAHAMAS

FNM NOTES DOMESTIC CONCERNS IN MARKING INDEPENDENCE DAY

Freeport THE FREEPORT NEWS in English 9 Jul 85 Independence Supplement  
pp 1, 6

[Text]

In pointing out the ways in which The Bahamas has succeeded and failed in its management of independence over the past 12 years, the Free National Movement Member of Parliament for Marco City, Mr. C.A. Smith, made the following statement at his office on Thursday, July 4, 1985:-

"I believe that the real achievements include our acceptance in the international communities: We have been accepted at the United Nations, we have been accepted at CARICOM, we've become a member of a number of worthwhile international organizations. This membership in these organizations certainly has been beneficial to the country.

**TOURISM LEADER**

"Also I think since independence there have been some real achievements in the area of tourism: we've established tourism offices all over the world and have become a leader in the Caribbean with respect to tourism.

"I think also that the average Bahamian has become more aware of his own identity in The Bahamas. I consider those are some real achievements.

"We're beginning to put some emphasis on cultural development or those developments that tend to bring out 'what is a Bahamian'.

"However I think that there are a number of areas in which we have failed to progress, and

these are some areas which are very important. They are areas at home. You know we may very well have been successful in establishing embassies and becoming involved in international organizations, but I think our failures at home concern me greatly.

"One, we still have a political system in which we have a senate that has some law-making decisions but without those people being true representatives of the people. And I believe that in this day and age that true independence can only come when those persons who decide your destiny are persons who are elected to do so.

"I would hope that we would begin to recognize the senate as it is presently constituted has, as in my view, no place in the political system.

### **INPUT QUESTION**

"I think also that in our political system we have not, with independence, the cabinet form of government which gives the true representatives of the people, the parliamentarians, the Opposition and the back-benchers, any type of real input into the

decision-making process — for example, over and over the Opposition has tried to bring legislation before Parliament and we've always been told that Opposition members can't introduce legislation — government won't allow it.

"That to me seems to be the failure on the part of these who run the country under independence: in fact Back-benchers do not get involved in having their input expressed when legislations are being drafted. They see legislation at the same time we do except for those few people who sit around the Cabinet table. All other parliamentarians are, in my view, not given a proper opportunity to provide input into the running of the country — and I think that's a failure of the political system.

"Here it is in 1985 in an independent country, we in Grand Bahama for instance are still without basic necessities one would expect to find in an independent country: if we require a birth certificate, if we require a police record, if we require any document that must be filed at Supreme Court, we need to travel all the way to Nassau, spend a day or

two before we may obtain those — and then (look at) all the costs involved.

"It seems to me that if you are to truly enjoy independence those simple matters ought to be readily available to all citizens through an established government facility in Freeport, in Andros, and in Exuma (and so on). I think administratively the government has failed to bring forward the kinds of progress that one would have expected in an independent country — the colonial system still prevails throughout.

### **UNEMPLOYMENT HIGHER**

"I think if we look at the economics of The Bahamas under independence, certainly in terms of the unemployment situation we have a much higher rate of unemployment today than we had in 1972.

"We have not geared our economy in such a fashion so that we would be able to provide real opportunities for our citizens. Persons who are hurt most by this inability to plan to develop the economy are the young people: our educational system is turning out some 5,000 graduates a year and many of them are very, very qualified

as compared to those who were being turned out in 1972; however when they leave school they find that they cannot utilize skills which they have mastered while at school.

"So they become frustrated, they become bitter, and they turn their energies in ways which are not beneficial to themselves or to the country.

"I believe that an independent person could only be truly independent when he has control over a job which produces an income for him to provide a better way of life for his family.

"Unfortunately more and more of our people are finding it more and more difficult to find job and hence are becoming more and more dependent on handouts and as such may be losing this independence.

"In Grand Bahama we have six hotels that have closed three of them are owned by the government. And except for promises, we have no assurance that any of

these will be opened in order to provide job opportunities for our youngsters.

"The major industries on Grand Bahama have all suffered: Bahamas Cement, BORCO — two of the major employers are forced now to work on a skeleton crew, in fact, many of them are only something like 25 percent of the work force they used to have. Franklin Chemicals has had a freeze on employment for some time due to market conditions; and Syntex is the only industry that is presently in an expanding mode.

### THE DRUG PROBLEM

"Our drug problem is of epidemic concern and to a great degree some of it may be traced to the fact that the downturn in the economy and the high unemployment force people to turn to a quick way of making a buck or to a way of drowning their sorrows.

With respect to the future, Mr. Smith said:

### FUNDAMENTAL CHANGES

"I do not believe that the future is going to be any better unless there are some fundamental changes both in our political system and in our approach to development and investment.

"I believe that to turn our economy around we need to eliminate all the red tape that the political system put in place to discourage investment. We need some long range development plan designed to encourage investment and job creation.

"We need a ministry or a body responsible for attracting, encouraging, and promoting investment in the country just as we have a ministry responsible for attracting and promoting tourism in the country.

"We need to repeal the land act. And we need to remove all the bureaucracy and red tape which make it so difficult for people to invest in the country.

BAHAMAS

PINDLING: ECONOMY GROWING BY LEAPS AND BOUNDS

Freeport THE FREEPORT NEWS in English 29 Jul 85 p 5

[Text]

**NASSAU — "The economy is moving ahead by leaps and bounds. I can tell you that the prospect for job opportunities will be opening month by month," Prime Minister Sir Lynden Pindling, promised his party on Wednesday night.**

Sir Lynden was the main speaker at a mini Progressive Liberal Party rally, held in the over-the-hill area of Grants Town. Also attending were government ministers, back-benchers, senators and hierarchy party members, including Everette Bannister.

The crowds seemed carried away with enthusiasm as they warmly received the Prime Minister's pronouncement that construction is likely to be on the move next year. The Prime Minister noted that the Prince George Hotel is being knocked down and will be replaced by the Royal Bank of Canada's new bank building.

He spoke of the construction taking place near Bahamas Electricity Corporation, where a new shopping place is being built; he told of plans for knocking down the Emerald Beach Hotel, and to replace it with 500 rooms and he noted that new construction will be starting on Paradise Island.

"Ours is the only country in the English speaking Caribbean that does not face declining balance of payment," the chief executive boasted to his supporters. He told them that although he did not have figures with him the last time he had looked at them in June, the economy was growing at almost an eight percent growth rate.

He said that when one places inflation into the picture in real terms it would be almost five per cent — 4.6 or 4.8 per cent growth rate over 1984. And this, he boasted, is only for the first half of the year.

Sir Lynden drew the crowds attention to a Tribune article of Tuesday, July 23, which reported that Dupuch and Turnquest had bought the Ambrosiano Bank Building, East Bay Street and the

Star Plaza complex on Mackey Street. "Now if that is true, the two of them couldn't have cost less than \$6-8 million," he said.

He noted that "These are the same two fellows who preaching the most that things so bad ... things so rough. Ain't nobody got no confidence in this country, and they prepared to put \$8 million down on the barrel head, just like that, because they know Pindling gon' keep it straight for them."

"The proof of the pudding is always in the eating," the Prime Minister declared. He noted that a man is supposed to put his money where his mouth is.

"They do not put their money where their mouth is," he said of Dupuch and Turnquest, "they put their money where they know the action is, and they put their mouth on trying to fool you and me."

And when a comment was thrown from the floor, the Prime Minister, readily agreed that the bad mouthing talk was to drive off everybody else so that the price could go down so they (Dupuch and Turnquest), could

buy it.

"I suppose that is good sense, too," he said, "but \$6 million dollars' still a hell of lot of bread bread when things are supposed to be tough" and this Bahamas going to the dogs.

The Prime Minister said that Dupuch and Turnquest believe in the future ... they believe in yesterday and they believe tomorrow. He said that it will not take 10 years to pay off \$6 million dollars, it is going to take a "big hunk of future." "That's the

amount of confidence they have in you and you had better believe it," he said.

The Prime Minister told his audience that the Bahamas Hotel and Catering Allied Workers Union should be congratulated for having had the foresight to seize the moment and right time to sign an unprecedented five year agreement; a landmark agreement in the history of industrial relations in the Bahamas.

The Prime Minister said that this was done at a time when other unions wanted to shut down the airport. The hotel union, he said, thought there was sufficient future that they could stake their members future on a five year agreement.

He said that at the hotel union's convention, he told them that he would "bust this country open with tourist business for them if they would bust them people over with service when they come." And he noted that the workers had said they would do that. "And if they do," Sir Lynden declared, "people will be crawling all over your earhole."

He noted too that if the construction workers could make the same pledge as the hotel workers, this would be beneficial. "You can build them as fast ... once you build it you cannot move it, only hurricane can tear it down, and once it build on Bahamian ground, its ours," I don' mind who name on the deed, not concerned about that now. Point is we need development, our country needs to grow."

CSO: 3298/981

BAHAMAS

## '85 TAX REVENUES UP 20 PERCENT FOR FIRST QUARTER

Nassau THE TRIBUNE in English 2 Aug 85 p 4

[Article by Anthony Forbes]

[Text]

AN increase in collected revenue for the first quarter of this year, as promised by Finance and Prime Minister Sir Lynden Pindling in his 1985 budget communication, has resulted in an improved financial picture over 1984 and a reduction of the overall budgetary deficit from \$11.7 million to \$8.3 million, the Central Bank has reported.

According to the bank's Quarterly Review for March, 1985, the \$9.2 million increase in revenue collections was also reflected in a reduction of the deficit on the current account to \$0.7 million from a year earlier \$5.2 million.

"The fiscal situation showed improvement over last year, with a reduction of the overall budgetary deficit to \$8.3 million from \$11.7 million," the bank said. "This resulted mainly from an increase in revenue receipts of \$9.2 million, as expenditure, including net lending, grew by \$5.8 million."

Tax revenue increased by \$11.4 million or 20 per cent to \$67.7 million, while non-tax revenue declined by \$2.3 million or 21 per cent.

In his 1985 budget communication, the Prime Minister announced that the Government would step up its revenue collections this year.

He said at the time that the collection of a number of lawful taxes and fees, which were sanctioned by parliament, have been somewhat tardy because of the lack of follow-up procedures by those responsible for collections.

"This laissez-faire attitude towards Government's revenue will not be tolerated in future," the Prime Minister said. "My Government will take the necessary measures to ensure that all monies due by law to the treasury are promptly collected.

"We must be ever mindful that these fees and taxes constitute the Government's primary sources for meeting the ever increasing demands of the public for better services," the Prime Minister added.

According to the review, under tax revenue, all categories registered increases, with import taxes higher by \$4.9 million; export taxes, by \$0.2 million; stamp taxes, by \$0.7 million and other taxes by \$0.1 million.

Property taxes yielded an increase of \$0.8 million; selective taxes on services, \$0.9 million; business and professional licence fees, \$1.9 million; and motor vehicle taxes, \$0.3 million.

The bank said the decline in non-tax revenue resulted mainly from a fall-off of \$1.9 million in income from other sources.

It said the intake from fines, forfeits and administration fees and income from public enterprises, fell slightly by \$0.1 million and \$0.2 million respectively.

Current expenditure increased by \$4.7 million (6%) to \$77.2 million, with capital expenditure higher by \$1.2 million (48%) to \$3.5 million.

Under current expenditure, personal emoluments were higher by \$0.7 million and purchases of goods and services, by \$5.2 million. Interest payments fell by \$1.9 million, while subsidies and other transfers rose by \$0.8 million.

The growth in development expenditure reflects an increase in capital transfers to public enterprises of \$1.4 million and a fall in capital formation of \$0.2 million.

The functional breakdown of expenditure showed an increase in general public services of \$1.6 million, with general administration accounting for \$1.5 million and public order and safety, \$0.1 million.

Expenditure on defence grew by \$0.3 million; education by \$1.6 million; health by \$1.0 million and social services by \$0.4 million.

Housing outlays fell by \$0.2 million, while other community

and social services were up by \$0.1 million.

In the category of economic services, outlays for agriculture and fisheries grew by \$0.2 million, while expenditure for public works and water supply fell by \$0.4 million.

The bank also said that spending by the Ministry of Tourism for the review period increased by \$1.8 million.

"Reflecting the increase in revenue collections for the quarter, the current deficit was reduced to \$0.7 million from a year earlier \$5.2 million," the bank said. "Despite higher capital expenditure of \$3.5 million, the overall budgetary deficit narrowed to \$8.3 million from \$11.7 million a year ago."

The bank said that the deficit was financed from the proceeds of the \$35 million registered stock issue.

There were no debt repayments for the first quarter, and as at March 31, the total direct charge on Government stood at \$475.5 million, an increase of \$35 million from the fourth quarter of 1984.

However, contingent liabilities of the public corporations which totalled \$58.3 million, brought the outstanding national debt to \$533 million at the end of March, 1985.

CSO: 3298/981

BAHAMAS

BANK NOTES CURRENT ACCOUNT SURPLUS, GROWTH IN TRADE

Bridgetown CANA in English 1528 GMT 11 Aug 85

[Text] Nassau, Aug 11--The Bahamas recorded a U.S. 48.9 million dollar current account surplus during the first quarter of this year, according to THE TRIBUNE newspaper. The paper quoted the Central Bank as saying this was a lot better than the U.S. 26.1 million dollar surplus reported during the same period last year.

The bank said that the surplus on the services account increased by U.S. 20.1 million dollars, reflecting a robust growth in tourism, while the trade deficit dropped by U.S. 1.6 million dollars.

The bank estimated earnings from exports at U.S. 71.9 million dollars as of March 31--up U.S. 6.6 million dollars over last year, with the estimated value of imports higher by U.S. 17 million dollars, at U.S. 149.3 million dollars.

Oil imports fell by U.S. 12 million dollars to U.S. 49.1 million dollars, as domestic oil imports declined by U.S. 10.6 million dollars and foreign bunker fuels by U.S. 1.4 million dollars. The bank noted that the per barrel price of oil products was basically lower, except for aviation gasoline.

Per barrel cost of propane and kerosene fell by U.S. 2.06 dollars and U.S. 41.33 dollars to U.S. 23.52 dollars and U.S. 36.23 dollars, respectively, the bank said, while bunker fuel declined by U.S. 1.15 dollars to U.S. 27.79 dollars per barrel and gas oil by U.S. 0.55 dollars to U.S. 36.79 dollars.

The bank said that foreign exchange earnings from tourism were estimated at U.S. 236.2 million dollars--an increase of U.S. 15.1 million dollars over last year.

An additional U.S. 3.8 million dollars accrued directly to government, bringing the estimated gross tourist receipts to U.S. 240 million dollars--up U.S. 15.3 million dollars.

The bank said that expenditure by residents overseas declined by an estimated two million dollars to U.S. 20.9 million dollars.

Net outflow of investment income was slightly lower by U.S. 0.7 million dollars to U.S. 50.5 million dollars. Government interest payments were down by U.S. 1.4 million dollars and net outflows of banks and trust companies by U.S. 5.1 million dollars. Net payments by the non-financial sector moved up by U.S. 5.8 million dollars.

CSO: 3298/981

BAHAMAS

ZNS RADIO, TV TARGET OF OPPOSITION CHARGES OF BIAS

FNM Statement

Nassau THE TRIBUNE in English 24 Jul 85 p 1

[Text]

THE FREE National Movement today criticised ZNS radio and television for "continuing unfair, undemocratic and unjust practices."

In a prepared statement, the FNM accused ZNS of "blatant and shameless bias," and laid the blame "directly at the feet of Lynden Pindling and his government."

The statement listed several instances where they claim ZNS acted unjustly.

"When the Prime Minister addressed a PLP meeting in Holy Cross he was given full and frequent coverage," the release said. "When opposition leader Kendal Isaacs addressed an FNM meeting in Centerville ZNS carried less than a minute in a mutilated report.

"On July 19 the FNM put out a press release responding to Sir Lynden's comment about its planned boycott of activities relating to the Heads of Government Conference. Not a single word of this was carried by ZNS.

"On July 23 the FNM issued another press release dealing with the Prime Minister's comments on the certiorari court action against the Disclosure Commission. Not a single word of this was carried by ZNS."

The statement continued:  
"Dr David Sands this week

launched a national appeal for funds to assist the FNM in its court costs. ZNS was invited to the press conference announcing the appeal, but up to now has carried not a single word.

"On Monday BCPOU President Keith Archer, in a speech at the union's convention, responded to an attack on the union by the Prime Minister. ZNS up to now has carried only that part of Mr Archer's address which admitted financial irregularities in the union. Nothing about the telling points scored by Mr Archer."

The FNM congratulated Mr Archer "for facing up squarely to the union's difficulties and for his courage in responding so clearly and effectively to the Prime Minister's attack.

"In the midst of so much spinelessness by some others in leadership positions, it is good to know that the Bahamas still has sons and daughters who value truth and fairplay, and are prepared to stand up for them," the release said.

"As for ZNS, we call on the government to issue to the management directions to report the news fairly and squarely and in a professional manner. If the present management is incapable of effecting such a policy then that management should be changed without delay."

ZNS Rejection of Political Ad

Nassau THE TRIBUNE in English 26 Jul 85 p 1

[Text]

THE BROADCASTING Corporation has refused to accept a paid political announcement by the newly formed Committee for Justice.

The Committee is asking the public for contributions to encourage Opposition leader Kendal Isaacs to appeal his case against the Public Disclosure Commission.

Mr Isaacs, whose application against the Commission in relation to the Prime Minister's disclosures was dismissed by the Chief Justice, has been ordered to pay costs. Although no figure has been set as yet by the court, Mr Isaacs has estimated that this will amount to \$100,000, and that it will cost another \$100,000 to appeal the decision.

A Committee for Justice member took the notice to the Community Announcement section of the Broadcasting Corporation yesterday afternoon. He said he was warned by the woman serving him that the notice might be viewed as a commercial, not a community announcement. He replied that, if that was the case, he was

prepared to pay for a commercial spot.

He said that the deputy sales director, Thelma Deveaux, agreed that there should not be any problem in having the notice aired.

He said that the woman at the Community Announcement counter went to find deputy general manager Louis Hanchell, but that he was not there.

The Committee member said that Thelma Deveaux took the notice and "disappeared" for more than an hour. Her car was

in the parking lot, but neither he nor Mrs Deveaux's secretary could locate her. The member left the Corporation.

When he spoke with Mrs Deveaux this morning, the Committee member said he was told that the notice had been given to her secretary for him while he was at the Corporation yesterday.

"This is garbage because her secretary helped me look for her yesterday," he said.

He got the notice back this morning.

The Committee member said

he was told, "This cannot be aired. This is a solicitation of funds." He was told that only fundraisers for organizations such as the Red Cross or churches are aired over ZNS.

The member said he was further told, "We have no record that he's (Isaacs) going ahead with appeals proceedings."

Lionel Dorset, a former ZNS news editor who now edits The Torch, the FNM weekly, said, "In the past, there have been numerous solicitations to the public for funds for the Red Cross, for medical expenses and even political party cookouts. If this solicitation is being condemned, then all past solicitations must also be condemned."

Mr Dorset felt it was another "glaring example of ZNS management acting at the behest of the Government towards the FNM."

TV 13, which covered a news conference Monday at which Dr David Sands launched the appeal, has yet to air a word on the matter either on radio or over TV.

Both newspapers featured the story on the front page.

Fracas at FNM Meeting

Nassau THE TRIBUNE in English 1 Aug 85 p 1

[Article by Athena Damianos]

[Text] The Broadcasting Corporation has threatened to boycott the FNM Torchbearer's Convention following an incident in which ZNS newsman Ed Bethel was struck in the neck last night.

Bethel was hit in a parking lot from behind shortly after a ZNS cameraman and FNM supporter almost came to blows at the convention site in Loews Harbour Cove on Paradise Island.

This morning it appeared that ZNS was seeking to lay the blame on FNM chairman Cecil Wallace-Whitfield.

ZNS, which was broadcasting the convention live, repeatedly interrupted one of the speeches with music, touching off the incident between FNM supporter Derek Simms and George Culmer, a ZNS cameraman.

The Torchbearers Association has paid the Broadcasting Corporation \$3,435 to have their convention aired two hours for each of the three nights. George Wilson, chairman of the FNM Action Group, was saying he believed the PLP was responsible for the drug problem when ZNS began replacing portions of his speech with music.

In an emotional statement read over the 8 am news, Bethel said he was verbally abused "with words often used by drunken sailors" and struck on the left side of his neck from behind by a "coward."

He also made what can be interpreted as a snide remark about FNM MP Arthur Foulkes and his son.

He said that the people who rushed to his aid last night were "great pretenders."

Bethel named a number of people who, he claimed, said "You Ed Bethel is blankety blank next." He said the people whom he identified as "great pretenders," "saved me from the onslaught while others restrained the nit wits." His address was abruptly terminated.

According to Bethel earlier, "Derek Simms allegedly assaulted one of our TV camera crew members."

But Desmond Edwards, a lawyer, said he saw a verbal exchange between Simms and Culmer. Simms was complaining about the interruptions.

"He (Culmer) reached over to pick up something. Later on, someone told me it was an ashtray. At that point, the thing blew up," he said.

He said that Larry Pinder, a bodyguard for the FNM, offered to escort the ZNS newsman outside so that he could cool it."

"He (Culmer) swung his tripod and hit him. I don't think he intended to hit him though," Edwards said.

In the meantime, Simms went outside to "cool off." Edwards said that Culmer approached Simms outside and challenged him.

"Ed came out and, I have to be fair to him, said this shouldn't happen. We all have to live in this country," Edwards said.

He saw a hand strike Bethel on the neck, but he did not see who did it.

"I think the thing that incensed the people who were there were the repeated interruptions by the ZNS. I think it was only because the senior party members were there and out of respect for the leader that it didn't go further," Edwards said.

It has been reported that the hotel switchboard was inundated with telephone calls from as far as Eleuthera by irate TV viewers who wanted to know why Wilson's speech was being interrupted.

Only last week, the Corporation refused to accept a paid announcement by the FNM in connection with a fund raising drive. ZNS in general gives the Opposition very limited coverage, if any, of news events.

ZNS newsman Kirk Smith reported this morning that Bethel and Culmer were "attacked and assaulted" last night.

Said Smith: "ZNS supporters have apparently heeded the call of their chairman Mr Cecil Wallace-Whitfield to become, in his words, more militant. It happened last night, only a night following Whitfield's emotional charge."

ZNS then played a tape of Whitfield's remarks made Tuesday night.

"We have to become more charged, more militant, more determined than ever before," said Whitfield.

"That charge made on Tuesday night at the FNM rally," commented Smith.

"And last night, at the Torchbearers Convention, the chairman's directives were apparently followed. Two members of a six member ZNS team covering the convention last night were attacked and assaulted...Police had to be called by ZNS to collect their equipment," Smith continued.

Torchbearers president Tommy Turnquest told last night's gathering: "We have witnessed tonight a most serious incident with ZNS. I want to tell those of you in radio land, especially in the Family Islands, exactly what happened before the perverted and distorted version (is aired) on radio news tomorrow morning.

"We, as young people, are not violent people, but we are continually pushed and stepped upon until we can take it no more," said Turnquest.

"My brothers and sisters, I've said it before, we are a peaceful people but we will not stand by idly and be trampled upon."

Turnquest received a letter from ZNS General Manager Calsey Johnson this morning, in which he said that two of his employees were abused and physically attacked. Johnson "expected" an apology and asked for a firm undertaking that there would be no repetition of what happened last night. He wanted the Association to guarantee the safety and security of ZNS employees. Johnson wanted Opposition leader Kendal Isaacs to guarantee the conditions.

If the conditions are not met, Johnson threatened to boycott the rest of the Convention.

Turnquest gave his firm undertaking that, provided ZNS newsmen acted responsibly in their coverage, such an incident would not be repeated.

Turnquest said that Johnson investigated the matter and came to the conclusion that the ZNS team were not to be blamed. He said Johnson arrived at his decision only based upon what his employees said.

#### ZNS Boycott of Speech

Nassau THE TRIBUNE in English 2 Aug 85 p 1

[Article by Marcia Bethell]

[Excerpts] Broadcasting Corporation General Manager Calsey Johnson today refused to broadcast FNM National Chairman Cecil Wallace-Whitfield's speech at the Torchbearers Convention live over ZNS radio tonight.

According to Mr Johnson, Mr Whitfield failed to have his speech at ZNS 48 hrs before the scheduled air time. The Torchbearers paid the Broadcasting Corporation (\$3,435) to have their Convention aired two hours on each of the three nights.

Speaking from his home this afternoon Mr Whitfield charged that his speech is not being aired because Prime Minister Pindling does not want to give him the opportunity to reply over the air, to remarks he made at a PLP rally in Freeport on Wednesday night.

Yesterday the Broadcasting Corporation threatened to boycott the Torchbearers Convention following an incident in which newsman Ed Bethel was struck in the neck on Wednesday night while in the parking lot.

ZNS was covering a speech, which the station repeatedly interrupted with music. Several supporters became incensed because of this, which sparked an incident between FNM supporter Derek Simms and George Culmer, a ZNS cameraman.

Last night Pierre Dupuch, MP for Shirlea's speech was interrupted for about 3 minutes with Oriental music.

And ZNS made no mention in its newscasts--7:15 last night and 8 am today--of Everette Bannister, the Prime Minister's close friend, being charged with perjury in the Magistrate's court. He is charged with making two false statements under oath to the Commission of Inquiry.

--Late this afternoon ZNS informed the Torchbearers that speakers scheduled for 8:40 to 9:20 tonight on their convention programme will be the only ones to be heard by the radio audience. The remainder of the programme--7 pm to 8:10 pm and 9:30 pm to 10 pm will not be broadcast. The latter portion of the programme is devoted to the introduction of party Chairman Cecil Wallace-Whitfield, followed by his closing address to the convention at 9:35 pm.

BEACON Criticism

Nassau THE TRIBUNE in English 12 Aug 85 p 1

[Text]

THE BEACON, published by PLP MP Hubert Ingraham, warned in its third issue that ZNS policies of discrimination and distortion must cease.

Failing this, the Corporation "should be confronted with the strongest possible 'non violent' acts of dissatisfaction," said Mr Ingraham's front page editorial.

The Beacon demanded nothing more than fairness and a hope that decency will prevail and that the Corporation takes its responsibility to the public seriously.

Deploring the assault upon newsman Ed Bethel at the recent Torchbearers Convention and the use of violence under any circumstance, the Beacon nevertheless viewed the incident as "an outgrowth of citizens' anger and frustration resulting from the distortions and outright lies which are broadcast on our airways with unashamed frequency."

"The fact that ZNS station manager Mr Calsey Johnson receives direct political instructions contributes to the problem," the Beacon said.

CSO: 3298/982

BAHAMAS

INCREASE IN DRUG OFFENSES CITED IN CRIME STATISTICS

Freeport THE FREEPORT NEWS in English 25 Jul 85 p 1

[Article by Simon Lewis]

[Text]

**Despite an overall escalation in major crimes in The Bahamas during the 1984 year, for the fourth straight year Grand Bahama experienced a decrease in major crimes. This according to the Royal Bahamas Police Force annual report for last year.**

The report stated that as always, New Providence continues to record the highest incidence of major crimes. And that in 1984 some, 9,795 crimes occurred in New Providence, 1733 more than in 1983. The over all figure represents 74.85 percent of the country's crime.

The report states that "For the fourth year in succession, Grand Bahama has experienced decreases in major crimes."

Although the declines between 1981 and 1983 were minimal, that 1984 recorded 146 less crimes than in 1983.

According to the 1984 police report: "Whilst New Providence and the other Family Islands showed sizeable increases in Housebreaking, shopbreaking and Stealing offences, Grand Bahama recorded just the opposite."

The report detailed that housebreaking offenses dropped by eight in 1984, to 533 from 541 in 1983. Shopbreaking decreased by 133 over the 1983 period when 433 cases were reported. There were only 300 Shopbreaking cases reported in 1984 on Grand Bahama. Stealing offences also decreased. With 527 in 1983

compared to 460 in 1984, representing a drop of 67.

"All in all, crime in Grand Bahama has been well contained and excellent results achieved in terms of detection" the report stated.

The report noted that offenses of Housebreaking, Shopbreaking and Stealing which showed declines during 1983, recorded considerable increases of 1495 to 1784 (289) 766 to 1177 (411 and 1878 to 2469 (591) respectively in 1984.

The report did however give a "welcome relief" description in regards to cases of Robbery which it said declined from 781 in 1983 to 658 in 1984.

In respect to other Family Islands, the report stated that major crimes continued its upward trend, reaching a record high of 1228, 193 more than in 1983. The report with regards to Family Island crimes was brightened however by a decrease in murder, attempted murder and sexual offences.

The report also associated the widespread use of dangerous drugs to the increase in crimes, claiming that it is widely accepted that the misuse and unlawful supply of dangerous drugs cannot be separated from other forms of crime.

### **DRUG OFFENCES UP**

They emphasized that "In common with the trend of other criminal activities throughout The Bahamas, Drug Offences increased by more than 30%, with each region recording from marginal to sharp increases: New Providence 527 to 739 (212) Grand Bahama 137 to 185 (48) and other Family Islands 199 to 202 (3).

The Report pointed out that the number of Bahamians prosecuted for drug offences during the year reached an astounding 1130.

The Annual Report for 1984 from the Royal Bahamas Police Force said that during the course of the year, the Police confiscated approximately 67 tons of Marijuana and arrested an estimated 1079 persons. In addition, 2227 pounds of cocaine was seized and 422 persons were arrested.

It is estimated that one out of every 35 persons living in The Bahamas owns a gun. That figure only includes those persons who have taken the initiative of having their weapons licenced.

The Police report shows that during 1984, a total of 7050 firearms were licenced throughout The Bahamas. That figure includes 5533 shotguns, 1499 rifles and 18 revolvers.

All of the revolvers along with 1295 and 3390 shotguns were licenced in New Providence where the highest incidence of crimes are reported. In Grand Bahama, a total of 204 rifles and 478 shotguns were licenced. The remaining 1665 shotguns were licenced in the other Family Islands.

### **MINOR CRIMES UP**

On the subject of 'Minor Crimes' the report showed where Grand Bahama had a sizeable increase of 286, jumping from 1102 in 1983 to 1388 in 1984. New Providence, which had a sizeable hike in major crimes, experienced a drop in minor offences. They saw a reduction of 80, from 2676 to 2596.

Overall, the number of complaints of a minor nature dealt with by the Police during 1984 was 4838, 229 more than in 1983. Adding to that total was an increase of 23 minor offences reported in the Family Islands. Minor crimes in that area jumped from 831 in 1983 to 854 in 1984.

The Annual Police report also touched on problems affecting the Force and gave an overall review of crimes.

### **PROBLEMS AFFECTING THE FORCE**

"The most difficult problems facing the Police were manifested in the area of personnel, equipment and accommodation shortages. Inflationary trends in the scope of Police activities continued, coupled with dramatic increases in political demonstrations and rallies," said the report.

"In order to maintain the expected standard of public order it was sometimes

necessary for Officers to suffer quick changes of shifts, long hours of duty and cancellation of leave and rest days. "While the force is organised in such a way to react flexibly to certain unexpected events, when incidents occur too frequently, there is eventually, a debilitating effect on the human resources.

"Many Officers were assigned to assist the Commission of Enquiry, some in investigation and others on twenty-four hours a day general duties.

"The continuous problem of wastage was more acute in 1984 than the previous year. Although an estimated 172 officers were recruited, the net gain was only 83, as 89 Officers parted ranks with the Force.

"The accommodation problem in New Providence was relieved somewhat when in July, the Security and Intelligence Branch moved to a recently renovated building at Police Headquarters and in December, the Criminal Investigation Department was relocated in more spacious offices in the Boulevard Building. The unsatisfactory accommodation in many Family Islands and other areas of New Providence persisted throughout the year.

"Reading equipment, a new \$1.2 million communication system was installed in the Control room in New Providence, which replaced the obsolete system used for many years. This provides for two-way communication between New Providence and the Family Islands and New Providence and other Caribbean Islands.

"There was however a chronic deficit of vehicles which are an essential need in effective policing. Whilst in New Providence this shortage was somewhat offset by the use of rented vehicles, the situation in

the Family Islands was almost crippling in its effect.

"It will be seen that despite our difficulties, there has been no diminution in the attention and energy which the Police devote to their business. This can perhaps be summed up quite briefly as — dedication to duty.

#### REVIEW OF CRIME

There was a substantial increase in recorded crime in the Bahamas during 1984. The disappointing rise of recent years continued to cause concern. A total of 13099 crimes were dealt with by the Police, this being the highest number of indictable offences ever reached. It represents an increase at 1780 (or 15.732) compared with 1983.

"The types of crime which showed the greatest increases were those with an element of theft. This perhaps is closely associated with the increased use of dangerous drugs in our community. There can be no denial that persons addicted to Narcotics would resort to any means in order to satisfy their cravings.

"It is pleasing to note that Murder, Rape, Robbery, and Burglary did not escalate during the year. Despite this however, the problem remained at a very serious level and there is no room for complacency.

"Some very unusual events and perhaps disturbing too were the armed assaults on the Southern and Cable Beach Police Stations, and the shooting death of Beach Warden Philip Kelly.

Exhaustive investigations into these incidents have led to the capture of the perpetrators of these crimes.

BAHAMAS

BRIEFS

REFINERY CLOSING--Chevron Overseas Petroleum Ltd today advised its employees and the employees of Bahamas Oil Refining Company (BORCO) that it intends to discontinue crude oil processing at the BORCO refinery because of unsatisfactory economics and mounting losses. As a practical matter, the announcement only confirms recent operating conditions at BORCO. No crude oil has been processed recently, and only 8,000 barrels daily were processed in the entire second quarter of 1985. This compares with an available capacity of 350,000 barrels daily. Such a low level of operation is uneconomic. BORCO will continue to operate the oil terminal, which includes the marine, the bunkering, the blending, the storage and the transshipping facilities. Also, Chevron and BORCO will continue to supply the local demand for petroleum products. [Excerpt] [Nassau THE TRIBUNE in English 7 Aug 85 p 1]

CSO: 3298/983

BOLIVIA

NEW MINING MINISTER ESTABLISHES 2 UNDERSECRETARIATS

La Paz HOY in Spanish 9 Aug 85 p 5

[Text] Mining official Sinforoso Cabrera became the new head of the Ministry of Mining yesterday, with the establishment of two subsecretariats and the desire to perform more dynamic and efficient work.

Cabrera was officially installed by the former undersecretary of mining, Carlos Garcia, because the former minister, Luis Pommier, has left the country to return to the United States, where he has established his residence. Pommier leaves behind serious charges concerning the mismanagement of the National Smelting Enterprise (ENAF), which he headed before becoming minister of mining.

Garcia said at the installation ceremony that during the period which came to a close yesterday, "the country's natural resources were protected, the Totoral mine reverted to the government through the approval of officials orders to direct it and work it without losses, an order was approved for the operation of Karachipampa, and the problem of its internal debt is before the Central Bank. In addition, a plan to rehabilitate ENAF was set up, SIDERSA [Bolivian Iron and Steel Enterprise], which was a marginal operation, was given a new boost, the prospecting and exploration of the Precambrian areas by GEOBOL [Bolivian Geological Service] were concluded and private miners were given special benefits. Three important cases remain before the new ministry: the contract with SAPI-COMSUR [expansion unknown]; awarding of the Bolivar Poly-metallurgical Project; and the quantification of Precambrian reserves."

Minister

The new minister was born in Quime, La Paz, in 1923. He worked in different COMIBOL [Mining Corporation of Bolivia] enterprises starting in 1947 and served as an official in the Department of Organization and Methods in the central COMIBOL office. He served as labor director for the Mining Complementary Fund. In his speech at the installation ceremony, Cabrera said that during his term of office, the ministry will adjust to the new economic plan of the government and that ministerial activities will be marked by greater vigor and efficiency. The best officials will be rewarded and those who refuse to cooperate with his administration will be removed.

An attempt will be made to increase production and improve mining productivity as one way of resolving the internal problems of entities in the sector.

Paraphrasing the president of the republic, Victor Paz Estenssoro, he said: "We are not members of the MNR but rather, the government of all Bolivians."

#### Subsecretariats

He then immediately installed the new undersecretaries in his ministry: Orlando Capriles and Mario Paulsen.

The former, until only recently director of the Andres Bello Agreement of the Cartagena Accord, will serve as general undersecretary of mining and metallurgy in charge, as expressed in the ministerial order approved the previous evening, of the general secretariat, administrative management, financial and legal services, information and documentation and public relations.

Mario Paulsen, until only recently director of the Mining and Metallurgical Research Institute (IIMM), will serve as technical undersecretary of mining and metallurgy. He will be responsible for the National Directorate of Mining, government mines, medium and small-scale mining and cooperatives.

Orlando Capriles (attorney and newsman) said in his address that "mining is the country's mother industry and its activity and importance will extend beyond the year 2000." Considering that circumstance, the ministry is called upon to play a role of prime importance in its development and diversification.

11,464

CSO: 3348/922

BOLIVIA

GOLD MINING FEDERATION TO IMPROVE PRODUCTION CAPABILITIES

La Paz HOY in Spanish 8 Aug 85 p 4

[Text] Only 20 percent of the 200 gold-mining cooperatives are in full production, while the rest are involved in the preparation of sites and deposits.

This information was given to HOY by the director of the Federation of Mining Cooperatives (FENCOMIN), Pedro Montecinos, who noted that within a short time, that organization, along with other specialized entities, will provide training in cooperative organization and gold-mining production.

Production

The official said that in response to the fact that many believe that all gold-mining cooperatives operating in Larecaja Province in the Department of La Paz are in excellent condition, reality is quite different.

There are several levels in productive work. A few gold-mining cooperatives are mechanized and are therefore more efficient, more intensive and profitable.

"Others, even with deposits of substantial size, have to get along with little equipment and without the capital that would improve their operations, meaning that mining is slower and less profitable."

Below these are those cooperative groups that have neither equipment nor capital and that do their work "freehand," just as those in the first group began.

Preparation

Until 3 years ago, gold mining was the task of some 35 cooperatives that had no mechanization.

Once the so-called "gold fever" began because of the considerable increase in the price of the precious mineral on the international market, a veritable invasion of Larecaja began.

These prospectors gradually organized into cooperatives and now number over 200. Many others still await their respective authorizations from the Ministry of Mining.

Nevertheless, only some 20 percent of the over 200 groupings are in full production, with the rest preparing the sites and deposits.

#### Courses

It has been noted that most of the cooperatives lack orientation about their organizational structure and production in particular.

As a result, Montecinos observed, FENCOMIN is planning a course on cooperative organization and gold production in order to train those involved in these areas essential to their organic activity.

Many so-called cooperatives are really not that because their members buy and sell shares as in actual companies. They neither participate nor work and there have been cases in which they do not even know where "their" cooperative is located.

Furthermore, production has many flaws with respect to the adoption of methods and systems, even in the case of large cooperatives, which encounter the problem of recovery in the plants.

An attempt will be made to promote a kind of apprenticeship in the productive process through such training courses.

11,464

CSO: 3348/922

BRAZIL

BRAGA DROPS TO THIRD IN RIO ELECTION POLL; PFL-PMDB TALKS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Aug 85 p 5

[Text] Rio de Janeiro--The candidates for the post of prefect of Rio have their reservations about the Gallup Institute study indicating that Artur da Tavola, the PMDB [Brazilian Democratic Movement Party] candidate leads with the voters, and that Rubem Medina of the PFL [Liberal Front Party] has jumped to second place, while the contender for Governor Leonel Brizola's PDT [Democratic Workers Party], Saturnino Braga, has dropped to third. Jorge Leite, who is competing with Tavola for the PMDB nomination and who placed fourth, chose to challenge the opinion poll published yesterday by the newspaper O GLOBO. He says that the study "only reflects what Gallup wants, and therefore one does not know what lies behind it." The Gallup poll indicated that Artur da Tavola has the support of 20 percent of the electorate, Rubem Medina 19 percent, Saturnino Braga 16 percent and Jorge Leite 12 percent.

Leite added that he does not believe the study is indicative, claiming that Tavola "only goes to work just before the election," while on the contrary he has done "broad work at the base." The two are vying for the nomination at the convention Sunday. Tavola will register his slate today, with state deputy Atila Nunes Filho as his running mate. In his view, the sampling taken by Gallup "reflects a natural tendency among the voters, who continue to prefer the PMDB."

In fact, the Institute asserts that the PMDB has been the most popular party in Rio since the first survey on the prospects for November taken at the end of June, when it won 20 percent of the voters' support. This level was maintained during the second survey taken in the middle of July, and in the last, taken on 3 and 4 August, it was up 2 points. The figures for the PDT on those three occasions were 9, 11 and 13 percent, those for the PTB [Brazilian Labor Party] 10, 10 and 12 percent, and those for the PT [Workers Party] 15, 14 and 11 percent, while as a party, the PFL ranked fifth in the sympathies of the voters of Rio, with 10, 10 and now 9 percent.

This also means that Rubem Medina, as an individual, enjoys greater prestige than the party he represents. According to the Gallup study, he is the candidate showing the greatest increase from July to the present, from 15 to 19 percent, while Saturnino Braga of the PDT moved in the other direction,

being first in June and then dropping to second in July and third in August. Tavola, of the PMDB, started out with 14 percent, leaped to 19 percent and is at 20 percent at present.

As the PMDB still has two pretenders, the researchers asked about the voters' reaction depending on whether the party candidate is Jorge Leite or Artur da Tavola. If Leite becomes the official candidate, he will not benefit from all of the prestige of his party. According to the Gallup Institute, the great beneficiary would be Rubem Medina of the PFL, who would gain 1 point, rising to 23 percent. Leite and Saturnino would compete for second at 18 percent. But if Tavola is the PMDB candidate, the party will retain first place, being even in a position to win 5 more percentage points.

In distributing the preferences of the 725 persons interviewed, the Gallup survey found that Tavola has more support in Categories A (34 percent) and B (26 percent) than C, D and E (10 percent). His supporters are concentrated in the South (27 percent) and North (22 percent) zones, being fewer in the West zone and Leopoldina (15 percent). He is still the preferred candidate among those with the highest educational level (30 percent), and he maintains a balance in relation to the age groups.

Rubem Medina commands more votes in Categories A (22 percent) and B (25 percent) than in C (17 percent), D and E (14 percent). The majority of the voters supporting him live in the Rio zone in the South (26 percent) or are scattered in smaller proportions among the North (17 percent) West and Leopoldina (16 percent) zones. Other characteristics of the typical voter for the PFL candidate are higher-level or secondary education (21 percent) and age in the range between 18 and 29 (25 percent).

The average profile of the voters supporting Saturnino Braga of the PDT is somewhat different. He is a stronger contender in the West and Leopoldina (18 percent) zones than in the North (15 percent) and South (12 percent) regions, and he has the most support among individuals with primary-level education (20 percent). There is little variation only where social categories are concerned, since the support for him was similar in Categories A (17 percent), B (13 percent), C (15 percent), D and E (18 percent).

With regard to the list of candidates with more limited electoral support, Agnaldo Timoteo of the PDS [Social Democratic Party] showed the greatest loss between the second survey and that at the beginning of this month, from 9 to 5 percent, although he remains the best placed among the candidates of the smaller parties. Alvaro Vale of the PL [Liberal Party], maintained his 4 percent; Clemir Ramos of the PDC [Christian Democratic Party] and Joao Saldanha of the PCB [Brazilian Communist Party] were tied at 3 percent; Fernando Carvalho of the PTB [Brazilian Labor Party] had 2 percent; and Carlos Imperial of the PTN [National Labor Party] had 1 percent. In addition, 7 percent of those interviewed said they would vote for names other than those listed by the researchers, and 8 percent were still undecided.

Finally, the Gallup study established that, despite the intensification of the electoral campaign, only 12 percent of the citizens of Rio showed much

interest in politics. More than half (51 percent) indicated total disinterest in the matter, and 37 percent, little interest.

Secret Agreement

Maintaining secrecy, the PFL and the PMDB in Rio have been holding talks with a view to a possible coalition which could defeat the Brizola machine in November and preserve the Democratic Alliance on the municipal level.

Everything will depend on the convention the PMDB is to hold Sunday, when the Artur da Tavola-Atila Nunes and Jorge Leite-Maria Teixeira slates will compete for the party nomination for prefect and vice prefect.

However, the PFL does not officially recognize the possibility of joining with the PMDB, and its candidate, Rubem Medina, insists that he will not withdraw his candidacy. Even so, the talks are continuing through the groups supporting Artur da Tavola, encouraged by Brasilia and by the national leaderships of both parties. Artur da Tavola himself has already said that he favors an agreement which, he says, will defeat "all that the Brizola faction represents--populism and right-wing demagogery."

If Jorge Leite wins, however, many politicians in the PFL are sure that he will not be in a position to defeat Medina, with such extensive attrition in the faction supporting him in Rio. If that were true, the party candidate, they believe, would benefit. "The banner of the anti-Brizola movement may fall to the PFL," one of them commented. Few in the PMDB have faith in this prediction, because they also recall the support lost by Medina, a deputy who voted against direct elections and remained a Maluf supporter almost until the eve of the presidential election.

Brizola's PDT further faces an internal problem in choosing the running mate for Roberto Saturnino. The convention will be held Monday. The senator insists on Jo Rezende, who lacks the support of the parliamentarians in his party, but might be accepted by Brizola. The PDT may also have as an adversary Deputy Clemir Ramos, who left the party to join the PDC, and is expected to be confirmed today as a candidate for the office of prefect.

5157

CSO: 3342/241

BRAZIL

## EIGHT PERCENT AGRICULTURAL PRODUCTION GROWTH FORECAST; FUNDING

### Agricultural Prospects

Sao Paulo FOLHA DE SAO PAULO in Portuguese 26 Jul 85 p 9

[Text] Rio de Janeiro--The IBGE [Brazilian Institute of Geography and Statistics] predicts an increase of 8 percent in Brazilian agricultural production this year, with the crop-raising sector showing an increase of 11.5 percent over the harvest last year. Livestock breeding will increase 3 percent at a maximum, according to the estimates released yesterday by the agricultural director at the IBGE, Charles Mueller, 50. He regards the harvest as "exceptional," in view of the flooding which occurred in the Northeast and the reduction of the area under cultivation throughout our territory. "The increase in production is due to improvements in productivity," Mueller said.

The 8 percent increase in farm production is not a record for Brazil, but exceeds the average for the decade of the 1970s, which was 6.8 percent, and that for the 1960s, which was 4.5 percent. Last year, Charles Mueller said, farm production increased only 3 percent. He believes that per capita food consumption, which has been dropping in recent years, will be up "slightly" in 1985. However, the average Brazilian is consuming less milk and meat than last year. The IBGE figures show that the slaughter of cattle between January and May was down 2.5 percent from the figure for last year, and milk production showed a decline of 0.8 percent. The people are seeking an alternative to beef in chicken. Between January and May, poultry slaughtering increased 13.9 percent.

### Speculation in Onions

The IBGE director said that the drop in onion production does not justify the increase in price seen in recent weeks. "There is a good dose of speculation in this increase," he said. He pointed out that the onion harvest was only 13.9 percent less than that last year. He said moreover that the price increase is already encouraging farmers to increase their plantings, and that the new crop to be collected within 3 months should regularize supply.

The latest farm production estimate made by the IBGE confirms the decline of 0.7 percent in rice production and that of 2.3 percent for the white potato

harvest. Charles Mueller said that the decline in the rice harvested is small in comparison to the reduction of 11 percent in the area planted. Rice production will come to 8.9 million tons, less than was harvested in 1980 (9.7 million tons).

The IBGE director said that farm growth this year is in large part a reflection of the increase for export products, such as soybeans, of which 18 million tons were harvested (15.9 percent more than during the harvest last year).

Where basic foodstuffs are concerned, the IBGE estimates an increase in the consumption of cassava (7.8 percent), corn (3.3 percent), beans (6.7 percent) and wheat (46.7 percent). Charles Mueller admitted that the IBGE projections for the wheat harvest, pointing to production totaling 2.8 million tons, are not consistent with the Production Financing Commission (CFP) estimate of only 2 million tons.

**Increase in Production of Basic Foodstuffs  
(in thousands of tons)**

	<u>1984</u>	<u>1985 Estimates</u>	<u>Percentage Difference</u>
Unhulled rice	9,022	8,957	-0.72
Beans (first harvest)	1,408	1,504	6.78
White potatoes (first harvest)	1,232	1,203	-2.38
Cassava	21,289	22,963	7.86
Onions	718	618	-13.95
Corn	21,175	21,870	3.9
Coffee	2,679	3,463	29.26
Sugar cane	222,716	239,987	7.75
Wheat	1,957	2,870	46.71

Source: IBGE

**Harvest Funding**

Sao Paulo FOLHA DE SAO PAULO in Portuguese 30 Jul 85 p 13

[Text] Brasilia--Yesterday President Jose Sarney set the volume of resources for the cost and investment financing of the next harvest (1985-86) at 27.735 trillion cruzeiros, representing an overall increase of 282.3 percent in comparison to the preceding harvest. The greatest increases in the Basic Cost Values (VBC) were 374.4 percent for nonirrigated rice, 371 percent for cassava, 355.2 percent for corn, 310.7 percent for irrigated rice, and 303.2 percent for beans. There were increases of 281 percent and 177 percent in the VBC for soybeans and cotton, respectively. For "other products," the VBC adjustment was 242.8 percent.

The resources allocated for the coming harvest, divided between 24.735 trillion cruzeiros for costs and 3 trillion cruzeiros for investments, were announced by Luiz Paulo Rosemberg, 39, the Planalto Palace economic affairs

adviser, at a group press conference. This procedure had not been followed on earlier occasions.

With the definition of these new farm credit lines, Rosemberg said, the government is hoping to bring about a 25 percent reduction in the area planted to cotton and a 5 percent reduction in the area planted to soybeans, regarded as "export crops." On the other hand, the government wants to encourage crops intended more for domestic consumption, maintaining the expectation of achieving 3 percent growth in the area planted to irrigated rice, 5 percent for nonirrigated rice, 2.5 percent for beans, 5 percent for corn and 5 percent for cassava. Rosemberg explained that the source of the funds has not yet been fully defined, and that this will not be completed until the next meeting of the National Monetary Council (CMN) on the first of next month.

The proportions of the financing to be allocated to farm costs for the next harvest were distributed as follows: small, average and large producers of irrigated rice may obtain financing to cover up to 80 percent of their cost needs. With regard to nonirrigated rice, the figures are 100 percent for small producers, 90 percent for average producers and 80 percent for large producers; for beans, 100 percent for small producers, 90 percent for average producers and 90 percent for large producers; for corn, 100 percent for small producers, 90 percent for average producers and 80 percent for large producers; for soybeans, 60 percent for small producers, 60 percent for average producers and 50 percent for large producers; and for cassava, 100 percent for small producers and 90 percent for average and large producers.

#### Obstacles

The 27.7 trillion cruzeiros in farm credit constitute a new obstacle to the pursuit of the monetary policy and negotiations with the IMF [International Monetary Fund], as well as putting more pressure on market interest, the Bank of Brazil admitted yesterday. The bank must provide 17 trillion cruzeiros in new money out of the 27.7 trillion cruzeiro total, which will make achievement of the goal of 180 percent overall expansion of its loans for this year difficult. If it is not achieved, interest rates may explode.

After the net addition of 2.6 trillion cruzeiros in term deposits during the first half of the year, the Bank of Brazil began the second half of the year with plans to obtain 850 billion cruzeiros per month. Now, in addition to the normal goal, the bank will have to obtain 3.6 trillion more cruzeiros in term deposits, and will make a greater effort to compete with the other banks.

Even if the extra market resources are obtained, farm costs will still take up the entire new money margin the Bank of Brazil has for total investments in this second half of the year, consistent with the commitments set forth in the document "Brazil--Economic Policy" submitted by the president of the Central Bank, Antonio Carlos Lemgruber, to the Brazilian debt renegotiation committee in New York on the 16th of this month.

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BRAZIL

LEMGRUBER PROPOSES CONVERTING DEBT LOANS INTO RISK CAPITAL

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Aug 85 p 26

[Text] Rio de Janeiro--Brazil hopes to convert some \$3 billion a year in foreign debt into foreign investment, through its conversion into risk capital. This information was provided in Rio yesterday by the president of the Central Bank, Antonio Carlos Lemgruber, who added that these assets, despite the fact that they represent little in terms of the foreign debt, because they would have little effect on its repayment, "are important from the point of view of incentives for new investments." In order to make this scheme more effective, he said that the Central Bank is studying the current rules making it difficult to convert loans into foreign investments. Lemgruber said that this conversion of debt into risk investments could be one of the ways in which the government will undertake to promote its program for converting state enterprises into private ones, "within the larger effort to reduce the role of the state in the economy."

In the course of the ceremony held to install the new board of directors of the Brazilian Leasing Enterprises Association (ABEL), Lemgruber defended the process of conversion to the private sector announced by President Jose Sarney.

He added that there have been some technical rules for the conversion of the debt into investment in effect since 1983, but "they are still not sufficiently flexible. However we believe that it is possible to make this mechanism more workable." By way of example, he mentioned the interest on the part of an international bank in selling its credit to a multinational company, which it did not carry through because of the existence of certain obstacles.

The president of the Central Bank also said that if Brazil succeeds yet once again in renegotiating the foreign debt with an extension, this will avoid payment of \$24 billion this year, including \$8 billion pertaining to long-term loans and \$16 billion to short-term loans. After stating that the extension application will be discussed in New York beginning on the 18th of this month, Lemgruber said that Brazil will ask for the longest possible period for the negotiation of the foreign debt, although an extension period of 90 days is ending on the 31st of this month. "Obviously a short period of 30 or 60 days would probably be negative, insofar as there would perhaps not be physical

time enough for establishing the definition of an agreement with the International Monetary Fund (IMF). It must be remembered that in the course of the next extension, it may be possible not only to reach an agreement with the IMF, but also a definitive and permanent one with the creditor banks themselves."

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CSO: 3342/241

BRAZIL

BRIEFS

TUCANO FLIGHT TESTS IN EGYPT--The first Tucano turboprop trainer assembled at the installations of the Kader Factory in Heliopolis, Egypt, from kits exported and with technology provided by the EMBRAER [Brazilian Aeronautics Company] is undergoing initial production tests. The first flight, piloted by General Gamal Farhgaly of the Egyptian Air Force Reserve, took place on 8 July. This aircraft is making test flights from the runway located in the city of Helwan, about 40 kilometers from Cairo. In the first test, the plane, Serial No 105, flew for 30 minutes, and it has made four more flights under the supervision of its test pilot, who was trained for production flights by the EMBRAER. There are four more planes on the assembly line in Egypt being prepared for flight in the coming weeks, while the work of production is continuing on about 30 aircraft, using kits sent by the EMBRAER since the end of last year. According to the contract signed by that Brazilian enterprise with the Arab Organization for Industrialization, the holding company which controls the Kader Factory, 120 planes will be assembled in all. Egypt will sell 80 of these to Iraq. As provided in the contract, the EMBRAER delivered the first 10 units ready for flight, and they have now been turned over to the Iraqi Air Force. A team of Brazilian engineers and technicians was dispatched to set up the assembly line and collaborate in the industrial work. The goals established have been satisfactorily achieved, with initial production of two planes per month, which is scheduled to increase to four later. The final assembly line for the Tucano at the EMBRAER installations in Sao Jose dos Campos is now working on the aircraft with the serial number 154, producing six units per month. The first deliveries have been made to the Brazilian Air Force, which will take delivery in the next few weeks of the camouflage-painted Tucano plane for the use of training squadrons at various bases in the country. [Text] [Sao Paulo FOLHA DE SAO PAULO in Portuguese 2 Aug 85 p 35] 5157

AID IN SUPERSONIC AIRCRAFT PRODUCTION--Sao Jose dos Campos--The president of the EMBRAER [Brazilian Aeronautics Company], Osiris Silva, said yesterday in this city during the visit paid by Jose Sarney to the enterprise installations that Brazil has initiated talks with four countries with a view to the development of the first domestic supersonic aircraft. This plane, which will be produced in cooperation with other countries, will equip the Brazilian Air Force in the coming decade. Currently it is using the French Mirage and the American F-5E models. According to the president of the EMBRAER, the countries contacted in connection with this project are the United States,

England, France and Italy, "and they are very interested." Minister of Air Otavio Moreira Lima, for his part, confirmed that these talks are under way, but did not want to specify with which countries. The minister said that this project is very expensive and it is necessary to reach the best possible agreement, "one which also makes the marketing of the planes to be produced viable." The Brazilian supersonic aircraft, which is still in the initial design detail stage, will exceed Mach 2, which means flight at twice the speed of sound. According to Osiris Silva, the development of average supersonic aircraft costs between \$1.5 billion and \$2 billion. "For this reason," he said, "this aircraft will cost \$1.5 million per ton, and so each plane will have to have an average price of \$15 million." The production of the supersonic aircraft will require the expansion of the EMBRAER installations. The cooperation of other countries will certainly reduce its cost. All of this information was provided shortly after President Sarney visited the production lines for the Brasilia EMB-120 and the Tucano EMB-312. The president also inspected the subsonic AMX, a pursuit plane which is being produced in cooperation with Air Italia and Air Macchi and is scheduled for its first flight in Brazil in October. On this same occasion, Sarney christened the 100th Tucano, which will be delivered to the Fumaca Squadron. Shortly thereafter, he returned to Brasilia. [Text] [Rio de Janeiro O GLOBO in Portuguese 3 Aug 85 p 22] 5157

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BRITISH VIRGIN ISLANDS

CHIEF MINISTER ROMNEY DISCUSSES CURRENT ISSUES

Road Town THE ISLAND SUN in English 20 Jul 85 pp 1, 7, 10, 15

Exclusive Interview by Vernon Pickering

Text

This is a particularly hot summer not only for weather forecasters but also for the BVI political scenario. In the last two issues of The Island Sun our readers have witnessed a "war of words" between two members of the opposition.

In addition to this there are a few interesting developments, some of them can be considered routine but some will definitely have an impact on the politics of the BVI.

We find that this is a very appropriate moment to ask our Chief Minister, Hon. Cyril B. Romney, a few significant questions that will enlighten the reader and, may be, dissipate certain doubts.

Once again, we are happy to furnish our readers with useful information gathered at the highest possible level.  
I.S.— We would like to know if there has been some progress in the negotiations for a direct air link with Miami.

ROMNEY— Yes, there has been some progress on that during my recent visit to the United Kingdom. I held discussions with the manufacturers of the aircraft, I saw it in operation myself at the Paris Air-Show; I was entirely satisfied, it is the right type of equipment, it operates very well, it is very, very quiet, the interior of the aircraft is very plush, very comfortable indeed. There are many of these aircrafts flying around the world; I have been surprised at the number of them that are in operation. I also had discussions with various concerns that are interested in financing the operation. As you are probably aware, it is my view that air services should be provided by private enterprise with the government providing the necessary back-up facilities, the necessary infrastructure like the landing field, the terminal building and the other services that go along with it.

There are two concerns that are actively interested in this project. In fact one party has already made his substantial down-payment on the acquisition of one of these aircrafts. I am hopeful that two would be available for this service and that the service will get off the ground before the end of 1985, just in time for the beginning of the tourist season.

I.S.— Since Delta Petroleum is supplying fuel at a lower cost than Shell, we would like to know if the consumer is going to benefit in some form: is it reasonable to expect a somewhat reduced electricity bill?

ROMNEY— Let me look at that question in two parts. The first part, you mentioned that Delta is supplying fuel, in fact Delta has not started to supply fuel but they are pressing ahead as can be seen by observing the performance at Pockwood Pond. They are pressing ahead with the establishment of facilities. Their bid for the supply of fuel to the Electricity Corporation has been accepted by the Corporation and endorsed by government mainly because it was significantly lower than the bids of the other competitors. It is my understanding that this would mean that fuel would be in fact supplied at a cheaper rate than the competition, and as you are all aware there is a fuel variation charge built into the rating system of the Electricity Corporation monthly bills. So if fuel prices go up, then there is a

small surcharge on consumers' bills; if fuel prices go down then the variation goes downward. So one can expect definitely that with the advent of supplies of fuel from a cheaper source that in fact the electricity costs will go down.

I.S.— A commentary recently broadcasted by ZBVI Portrays a Chief Minister with a first-class know-how but somehow impeded by his own Ministers. It seems that you know how to revive investors' interest in the BVI but your ministers are not too helpful. How much of this is really true and where do we stand when it comes to new investments in our country?

ROMNEY— I am very flattered about such a remark stating that I have a first-class know-how with respect to business and economic activities and how to get things going in the territory but I cannot condone any assertion at all that my Ministers aren't likely to be supportive of such programs as may be proposed by myself as Chief Minister. Perhaps the problem lies in my ability to sell my ideas to my colleagues. Don't forget that in this game of politics we have to do a lot of giving and taking. Politics has been described as the art of the possible, where we have the full range of competing forces playing against those things which we would like to see and those things which we wouldn't like to see, we are faced with, almost constantly, the full range of compro-

mise." This is really the art matter of political administration: We have got to compromise, we have got to carry along our friends and our supporters and our colleagues. There are some proposals which are put up by my colleagues with which I don't agree. We sit down and we try to hammer them out and arrive at the best solution. Obviously there are proposals which I would put to them from time to time which they may not understand, which I may not be able to sell very well, we sit down and we hammer them out. Sometimes I can put my point across very quickly, on other occasions it would take a longer period. But I would like to send the message out that the Ministers are working together, we are trying to mitigate all the difficulties that may have arisen in the past with the view to give the British Virgin Islands' people a government they really deserve.

CSO: 3298/1009

BRITISH VIRGIN ISLANDS

BRIEFS

SUSPENSION OF BEACON--After 14 months on the newstands, the "Beacon" newspaper has suspended publication temporarily. A statement attributed to editor Linnell Abbott said suspension was due "to relocation to new permanent office." How soon the weekly reappear was not stated. The 12-page weekly with its motto "The light that comes from wisdom never goes out," began publication on June 7, 1984. Text Port-of-Spain TRINIDAD GUARDIAN in English 24 Aug 85 p 57

CSO: 3298/1009

CHILE

#### ACADEMIC URGES RETURN TO RATIONALITY IN UNIVERSITIES

Santiago HOY in Spanish 15 Jul 85 pp 22-24

[Article by Dr Alejandro Goic: "Chilean Universities--Present and Future"]

[Text] It is sad to have to say that there are no universities in our country which are organized and conducted in democratic fashion. For more than a decade, the universities have been taken over by the government, made into a tool designed to achieve its goals and not those of the universities specifically. On the pretext of rescuing these institutions from situational political influences, their intervention has politicized them to an extreme degree.

The appointment of university authorities has been contingent, in the final analysis, on their support or at least tolerance of the regime in office, rather than their academic competence and service to the university exclusively. In the university world, authorities are respected because of the legitimacy of their accession to their posts and the intellectual and academic background they have. Otherwise, their influence is inevitably diminished and challenged.

The appearance of calm in the university cloisters is nothing but that--an appearance. The outbreaks of violence which occur in our universities intermittently reveal the failure of the authoritarian system governing them. And what is more serious, these outbreaks are only the visible tip of a much more continuous and profound violence, concealed with great difficulty by open or hidden containment. The reaction of the academic sectors, and of the students very particularly, has not sufficed to moderate the excesses implicit in the prevailing system.

The doctrines, values and procedures of institutions which, by their very nature and goals, inevitably differ from those of the university, when they are not definitively antithetical to them, have been introduced there. It is for this reason that, with some differences, the Chilean universities today are a faithful reflection of the political regime in government power.

The universities, humiliated by the government intervention, have become a body whose academic vitality and creative capacity have been diminished.

Both faculty and students have seen their opportunities for the free expression of their most profound ideas limited by the fear of exclusion from the institution which is the heart of their intellectual work and their human projects. With their exclusion from university administration, with the elimination of the bodies in which they can participate, the universities have been deprived of the contribution the academic community should make to their development and progress. In the past decade we have seen the emergence of numerous corporations and foundations devoted to the study of various subjects of national interest. They constitute an "extramural university" which has taken the place of the academic activities restricted within the official universities, providing proof in the process that when intelligence is circumscribed, it always finds alternative channels for its expression.

The situation of the Chilean universities is particularly worrisome since their lag behind those in the developed countries has been aggravated in the course of these years, widening the gap which separates them. We are daily witnesses to the consequences of the academic bastardization of the universities, consequences which will be still more evident to future generations of students.

In my view, the most serious damage which has been inflicted on the universities is the creation of a climate favoring the education of the students in authoritarianism. The daily existence of the students at the universities is experienced in a community under the scourge of arbitrary action, with professors inhibited by uncertainty and weakened in their moral strength. This will inevitably be reflected in a negative way in the conduct of the future professionals in a civilian society.

The public is confused when university authorities claim to be the defenders of certain university principles which could be shared, but which lose their entire value when they are set forth by an authoritarian and oppressive university which is in itself a denial of what it proclaims. Parallel with this, there is excessive vilification of the democratic universities of yesterday, without recognition that when headed for more than a century by their academic authorities, without interference from outside, they achieved a high level of prestige in the Latin American context.

University reform itself, controversial though it has been and despite regrettable errors and excesses, was in the final analysis consistent with the universal process designed to introduce the necessary changes in university structure in order to adapt to the new realities resulting from progress and the diversification of knowledge.

The democracy of the future demands that all those who are interested in and love the universities give thought today to their future institutional structure and the problems they will have to face.

There are some who believe that, given the current university situation, now is not the proper time to discuss sensitive subjects such as student participation, the relationship between politics and the universities and the social role of the latter. I believe that it is the obligation of those at the universities to discuss all of the problems of continuing interest to

these institutions openly today, whatever self-serving uses may be made of the various opinions expressed and whatever possible disagreements may arise.

First of all, it should be noted that for many years now, the universities have faced concrete problems which have interfered with their social efficiency. It should be recalled further that the university population in Chile accounts for only about 10 percent of the total number of young people between 20 and 24 years of age, which makes the academic and social responsibilities of these people the greater and forces them to turn to the problems of the universities and to pursue positive conduct which will favor their progress.

One of the main problems is the increase in the student population legitimately aspiring to have a university education, which nowadays comes to about 120,000 students per year. This increase is unfavorably linked with a decline in the number of places the universities can offer each year (from 47,000 in 1973 down to about 34,000 at present), and a reduction in the public resources allocated to this sector (from 50 percent of the educational budget in 1974 down to about 30 percent now).

It is clear that the universities are not in a position to accommodate the increasing demand for higher education, despite the fact that the total enrollment has quintupled in a 20-year period. We should add that the universities probably cannot count on a substantial increase in public resources in the future, given the economic crisis, the demands of primary and secondary education, and the need to meet the other pressing needs of the people. Thus it appears indispensable to diversify the channels of post-secondary level education and to create supplementary mechanisms for university financing. The development of nonuniversity institutions of higher education has helped to alleviate the pressure being exerted on the universities every year, while at the same time providing the nontraditional professionals and technicians the country needs.

It is essential to develop mechanisms which will guarantee a suitable academic level at these institutions, safeguarding the public trust.

Other factors which have challenged the universities are the increase in their internal complexity and scientific activities, the multiplicity of their extension functions, the limitations on their organization and administration, the lack of interdisciplinary communication, the lack of an efficient regulatory mechanism for the university subsystem, etc.

To these have been added the expulsion of qualified academicians and researchers, restrictions on the work day, premature retirement, the slowdown in academic development, particularly in the humanities and social sciences, changes in the financing system, the change in the university affiliation of some professions, unfunctional growth in some institutions of higher education, and finally, although not the least important, the development of an atmosphere of watchfulness at the universities which in no way favors academic life.

In order to be productive, the universities need a democratic, respectful and tolerant lifestyle. Of all the democratic values, perhaps that most decisive for the universities is intellectual freedom. It lies in the ability of the members of the university community to define the goals of the institution, to provide it with the organization they deem best for the pursuit of its goals, and to conduct their affairs without pressure from or interference by sources within or outside the university. This general statement requires some clarification.

The university is the center par excellence where rationality should prevail. This means that possible differences within it should be resolved by the academic community through the exchange of well-founded views and, ideally, on the basis of consensus and not power. When it is a question of settling matters which have to do with academic affairs, with the sciences or humanities, the force of reason and not the relative power of the various parties should prevail. Thus the harmonious participation of academic personnel and students in university subjects is of primary importance for the rational administration of the institution.

A university is a community, I would say a fraternal one, of academicians and students. The participation of the students is justified because they are one of the (indispensable) protagonists in the teaching-learning process, and the decisions of the authorities affect them in various ways. But the concept of student participation is broader, richer and more important than the mere idea of voting participation.

Through student participation, the educational process is enriched and perfected in every facet, particularly evaluation. It is legitimate, moreover, for the students to be represented in the bodies which direct the university since this allows them to set forth their opinions and proposals within an institutional framework, supplementing the vision the academicians have of the university and the educational process. In addition, participation is a valuable tool in the education of the future professionals in the democratic values which are indispensable if their subsequent behavior in the civic life of the country is to be respectful and tolerant.

With the same conviction and clarity with which I maintain that student participation is legitimate, necessary and desirable, I am opposed to the idea of university cogovernment, meaning thereby the administration of the university by collegiate bodies with equal representation for academicians and students.

The relationship of the faculty to the students at a university is not a symmetrical one, either in terms of knowledge, training, educational experience, permanence in the university classroom or loyalty to the institution. This asymmetry must necessarily be reflected in the structure of the collegiate bodies and in the method of electing academic authorities.

In a democratic university, the method of electing the authorities must be a democratic one. If indeed the meaning of democracy in the university is in the final analysis the same as that applied in civilian society, because there is only one democracy, the mechanisms and forms through which democracy in the

university is expressed are not necessarily identical with those in civilian society. Thus one cannot simply extrapolate from the electoral and representative systems of one type of community to the other, because the nature and goals of the university are different from those of civilian society. It must be the academic community itself which designs the specific methods of expressing democratic life in the university, establishing the rights and obligations of the faculty and students.

There are some who maintain that the social role of the university is to serve as the "agent" of social change. In my view, the specific agents of social change in the organization of society are the political parties and politicians. The specific function of the university is the search for truth and knowledge and the social mobilization of science and knowledge. The function of the parties is to conduct or to seek to conduct public affairs. Without a doubt the universities contribute to social change, but they are not the "agent" of it.

The contribution of the university to social change is indirect, through the activities which are suited to it, such as, for example, the analysis and discussion of political, social and economic doctrines; the development of theories of society and social change; the study of the socioeconomic reality of the country; the drafting of social development projects; investigation of the real or potential assets of the country and the most effective means of exploiting them; the training of professionals who are honest and fully aware of their social responsibilities, etc. In this way, the university makes a commitment to the nation and its future and nurtures the agents of social change so that they, through the constitutional mechanisms with which society has provided itself, can propose and decide on the best paths toward the solution of the nation's problems.

As an entity which is a part of society, politics is not alien to the university. It would be inconceivable for the most important center of the intellectual activity of the nation to be uninterested in it, or for the participants in university life, as the components of the intellectual elite, to be indifferent to the political development of their fatherland. The universities must be committed to the great political values such as freedom, humanism and social solidarity, but not to the special interests of certain parties or ideologies. Moreover, ideologies are to be found at the universities in their academicians and students, and they are subtly projected in the university policies and even in the academic programs. But concern with, analysis of, research on and instruction in politics in the classrooms, including the personal support of a political party by the faculty or students, is one thing, and purposely introducing party strategies into university life is something very different.

If we are to be consistent with a democratic vision of the university, we must regard the interference of the parties in university affairs as improper, just as intervention by governments is improper. Control of university administration by a party or a government establishes an aberrant mode of cogovernment which should be categorically rejected. Obviously, in situations of constitutional and juridical abnormality in a country, the exacerbation of

party political activity in the universities is inevitable, and in some way is legitimized.

Calm, dispassionate reflection free of any demagogic on the subjects set forth will allow the democratic university to conceive of formulas for participation and internal government which will safeguard the specific goals and the social expectations of the institution. What is beyond dispute is that the country needs university graduates of the highest level and social effectiveness. It is for this reason that although the time may be wrong and although the context may be an authoritarian regime, the continuing interests of the country demand that the universities be normalized as soon as possible and made it urgent that the government remove the obstacles hindering this, such as the norms prevailing therein now and the system of appointed rectors. If this is not done, the damage suffered by the universities will be ever deeper and it will become ever more difficult to find peaceful paths toward the reestablishment of their academic autonomy.

It will not be an easy task to rebuild the Chilean universities because of the restrictions of all sorts to which they have been subjected, the tensions which have accumulated within them, and the inevitable pressures to which they will be subjected by those who have been arbitrarily excluded from them, insulted or passed over.

A great effort of generosity on the part of academicians and students is indispensable if a consensus is to be achieved which will allow a return to the path of rationality which our universities have traditionally trod, as well as their spiritual reestablishment, sparing them the suffering of additional turbulence which would still further hinder the resumption of full academic normalcy.

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CSO: 3348/880

CHILE

NEW INCOME REDISTRIBUTION PROGRAM STARTS 1 AUGUST

Santiago HOY in Spanish 29 Jul 85 p 27

[Article by Manuel Delano: "A Threat to the POJH"]

[Text] Shovels in hand and following wheelbarrows, the 400 Serviu de Renca POJH Project workers are making a garden near the Espinosa bridge. The mist merges with the humid emanations from the Mapocho River. The workers have just been informed by their superiors that the subsidy of 5,000 pesos a month they are being paid may drop to 3,000 pesos if they are transferred to the Local Development Program (PDL).

This would be in the best of cases. Because it is also possible they might be dropped from the programs. Juan Rojas (53, five children) approaches our reporter and says:

"The country is moving backward. I cannot live on 1500 pesos every 2 weeks. It is not enough!"

Gradually the crews also move closer to us. Jose Leal Burgos mumbles: "I don't want to die of hunger." Juan Gonzalez Perez asks aggressively: "You want to know what costs the most today? Tea, buns and a pure thought." Sergio Guardia Carvajal reports that he has been told that "they are going to cut pensioners over 65 and single people. What do they want? An increase in crime?"

Juan Flores, one of the bachelors who talked with HOY, asks his comrades: "Do I maybe have to get married?"

"There is little we can do," says Samuel Berneo, president of the Huamachuco-Renca Temporary Workers Union and the head of this POJH project.

"If we strike, they dismiss us all as communists. Therefore we have sent a letter to the minister of labor, the minister of economy, the intendant and the mayor of Renca, with 563 signatures of people receiving PEM and POJH subsidies. Now that they are talking about dialogue, they will have to meet with us."

The signers asked for income equivalent to a minimum basket, project continuity, respect of payment due dates and better medical care, among other things. Will they be heard? Difficult to say. The explanation by their leaders about the new PDL was clear: "They told us that there were many people unemployed and that money was short for everyone, and therefore they had to reduce the pay for the POJH people."

#### Reducing Expenditures

Using other words, Ignacio Iruarrizaga (a civil engineer, 30 years old), the substitute mayor of Renca, admitted to HOY that the PDL does not pay as well as the POJH: 3,000 pesos per worker (instead of 5,000), 5,000 pesos for a foreman (9,000 in the POJH), 8,000 for a supervisor (16,000 in the POJH), and 15,000 for a project head (30,000 for the POJH).

Mayor Iruarrizaga said that the PDL program begins on 1 August, and "except for very special cases, we hope that people will not be transferred from the POJH to the PDL." When asked about the amount of the subsidy, he admitted: "We all know it is low. If we could give more, we would do so. One must be aware of what the reality is."

Officially, the reality is that the PDL would utilize 12,000 individuals in the metropolitan region, to be redistributed from the POJH, according to the intendant's office. Assurance is given, moreover, that there would be no reduction in the budget for the POJH.

Jorge Lavandero, president of the PRODEN, on the other hand, told the periodical FORTIN MAPOCHO that 35,000 persons would be dismissed in the metropolitan region. The former Christian Democratic parliamentarian added that 30 percent of those dismissed would be notified no more than 2 days in advance, to avoid protests. Then they would be rehired at lower wages.

Jaime Ruiz-Tagle, deputy director of the Labor Economy Program, has similar fears. "The DPL is trying to make the little there is go farther, redistributing it among more people, but this will mean a reduction in income for those who are transferred."

A POJH project head in the commune of Nunoa told HOY that the POJH would be closed out entirely by the end of the year, as the projects are completed, and would be replaced by the PDL. If this should happen, the fiscal saving would be about \$28 million in one year.

Whatever the case, this subject is a worry to the 196,000 individuals working throughout the country in the POJH. Unlike the POJH, the PDL will not require that one be the head of a household for employment. It will only be necessary to be over 18 and not a student. The work day will be 7 hours, 2 more than the POJH usually requires. The work will be category B, involving maintenance of sidewalks, roadways and public areas (the POJH work is category A, including the clearing of paths, paving and furnishings).

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CHILE

NEW CARABINEROS HEAD TERMED '100 PERCENT POLICEMAN'

Santiago HOY in Spanish 5 Aug 85 pp 8-9

[Article by Hernan Milas: "Two Different Styles"]

[Text] At the time of the military coup, he commanded the Carabineros in Santiago, and the plotters thought that he should be the man chosen from within that body. Cesar Mendoza Duran, for his part, had reasons to feel his fate was certain: he was born on 11 September, in the year 1918.

Prior to 1973, he had risen steadily in rank and the responsibilities of a Carabineros officer. But in addition, he made news as a horseman, and at the Olympic Games in Helsinki in 1952, he won a silver medal as runner-up to the champion.

This passion for horses caused him to choose as the residence for the director of the Carabineros a home on Pedro de Valdivia Avenue, opposite Diego de Almagro. It offered the advantage of giving access at the back to the Carabineros School stables. Thus he could go to practice at 7 every morning.

Married to Alicia Godoy, he had only one son and one daughter on taking office. Today, as he departs, he has four grandchildren, "two 9 and two 6." This coincidence provoked him to comment that "my grandchildren were born almost at the same time. And I think the two couples were at the same party."

This reveals one of his characteristics: he is a typical Chilean, with his verbal sallies and comments. Dour and wryly humorous, he answered, when asked by journalist Raquel Correa how he likes women: "It depends on what for." He also spoke of the jokes of which he is the butt. "I laugh when they are good, but some of them are stupid." He told Elizabeth Subercaseaux, who interviewed him one winter afternoon, that he would offer his specialty, a cup of coffee with a point to it. The "point" in question was a dollop of first-quality anisette.

In the early years he was avid for interviews. Many of them caused comment, such as his reference to the Letelier case. "This matter is like milk: It boils, it rises up and then dies down again." Or when Maria Eugenia Oyarzun reminded him that when it was installed in 1973, the Junta had announced its intention of eliminating Marxism, although as the years went on, its advocates

continued to make news. His answer was: "This means on the one hand that we were too generous," while on the other, the years of military government were not enough.

#### Antipathies

He has never had much sympathy for politicians. When the priest Pierre Dubois said that the Carabineros were responsible for the death of another French priest, Andre Jarlan, Mendoza said: "Wouldn't it be sad for the Christian world to find that a priest had lied! For when a criminal or a politician lies, that is perfectly understandable, but for a priest to lie--heavens, what is one to think?"

But he did not choose to contemplate what the priest Dubois had said, although the courts established that Andre Jarlan was killed by a bullet fired by a Carabinero, who was identified.

In recent months, Mendoza has been cautious about interviews. "One can get into problems. Don't you see that I say one thing and the facts prove otherwise?" he asked Elizabeth Subercaseaux. And he expanded on his apprehension to Raquel Correa. "In some interviews I have given, I have come off like an idiot. Stupid I may be, but not to that extent," he added, laughing.

He even had his own comment on departing. When a reporter asked him why he had resigned on the night of Friday, the 2nd, he answered: "Because I took it into my head.... I thought about it yesterday and today, and decided to leave this institution."

He spoke frankly to Raul Gonzalez Alfaro. "I do not want harm to continue to be inflicted on an institution such as the Carabineros, to which I have devoted virtually my whole life. He said that he was "fully convinced that we are not the target of a court process but of a political one."

With regard to his successor, General Rodolfo Stange, he said that he suggested him to General Pinochet. "You are leaving, Cesar, but who could succeed you?" he is said to have been asked. And his answer was: "Remember that I have always spoken to you about Stange and his virtues. He is the 100 percent policeman I have praised to you more than once."

#### German Ancestry

Rodolfo Stange Oelkers (who will be 60 on 30 September, is married to Liliana Mireya Toro and has three children) is the second individual of German descent, and a Lutheran as well, to join the Junta. As was the case with Fernando Matthei, his great-grandparents came to this country about 1850 to settle on land near Puerto Montt. He speaks good German and is even qualified as an interpreter and translator for that language. He received a scholarship to study in the FRG. He also studied administration, and at one time was the administrative director of the Carabineros School. He has been deputy director of the corps since 1982.

In reality, Stange has, just as Mendoza, who was his sponsor, said, police work in his blood. His great-grandfather was also a policeman in Germany, and his uncle Emilio Oelkers served as a general and director of investigations in the Carabineros. Also a brother and another relative were members of the corps. One of the great prides of his career is recalling that he served as a guard at the palace for five presidents, ranging from Gonzalez Videla to Salvador Allende. At the age of 25, he was assigned to the guards because of his height. Even at the German Institute in Puerto Montt, he was sought out to serve as drum major.

He told Pablo Azocar (HOY No 334) that he felt like a "Carabinero and even more," and assured him that he could not avoid "the almost magic attraction of persevering in trying to become a real Carabinero." His unlimited pride in this institution has led him to say that "among police forces on the national level, the Chilean Carabineros must be the best in the world."

When a journalist suggested to him that this was true of the Carabineros as to professional efficiency, but that regrettably, its image had been tainted by unfortunate events, Stange defended his men, saying: "We are not inhuman or anything like that. The Carabineros are fathers with families and live in the villages too." This reference to temporary difficulties seemed to displease him, because he would prefer to see the Carabineros in another light. And he made the reporter see this.

"You constantly refer to this specific case (Azocar had told him that the image of the policeman-protector has changed to one of the policeman-aggressor), but you do not mention the emergency cases in which we have delivered babies in the commissariats, or the thousands of children the Carabineros have taken care of, or the Students Traffic Brigade, whose members revere this institution. These are continuing images, while yours, on the other hand, is transitory."

Stange's great task may be this: making this image permanent.

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CHILE

BRIEFS

ALLENDE WIDOW CITED--Over 300 political, labor union, and student opponents of Chile remain in prison for having participated in last Wednesday's national protest against the dictatorship. Among those arrested are over 100 university students and 64 opponents who were taken out of their homes by the police during Saturday morning's raids. Hortensia Bussi, widow of the murdered president, Salvador Allende, said in Buenos Aires that the national agreement recently signed in Chile by 11 political parties is an important step toward a return to democracy. She insisted, however, that this was not enough, as it excludes the main leftist forces in the country. Meanwhile, Anselmo Sule, president of the Radical Party of Chile, and vice president of the Socialists International, said in Mexico City that he cannot conceive of a negotiated solution to the current crisis nor a democracy arranged with dictator Augusto Pinochet. In Madrid, Mario Navarro, president of the foreign commission of the Sole Central Organization of Chilean Workers, said that the violent reactions of his people against the fascist military regime are completely legitimate because Pinochet will never leave power of his own accord. [Text] [Havana International Service in Spanish 1800 GMT 9 Sep 85 PA]

STATE OF EMERGENCY EXTENDED--Augusto Pinochet, head of the Chilean regime, again declared a state of emergency on the eve of the fascist regime's 12th anniversary and renewed for 6 additional months the extraordinary clauses which authorize him to brutalize and repress the opposition. Other reports reveal that 73 students and labor leaders were released on Tuesday after approximately 1,000 persons were arrested during the Chilean police's repressive operations against the anti-dictatorship demonstrations. Twenty-seven students and dozens of labor and political leaders are still under arrest. [Text] [Havana International Service in Spanish 0000 GMT 11 Sep 85 PA]

CSO: 3348/956

COLOMBIA

EL CERREJON NORTE COAL EXPORTS REACH 1 MILLION TONS

Bogota EL TIEMPO in Spanish 8 Aug 85 p 4-D

[Text] Coal exports by El Cerrejon Norte have reached 1 million tons, according to an announcement made by the Colombian Bulk Transport Company; GRANELCO, in charge of loading and shipping the first coal exports from Puerto Bolivar, which began on 26 February of this year.

The manager of the Colombian shipping concern, Carlos Garcia Leon, said that in order to comply with the contract with INTERCOR [expansion unknown], GRANELCO has two floating cranes with a capacity of 20,000 tons a day, five barges of 3,000 tons each and two tugboats. It should be noted that by the end of this year, automatic shiploading equipment will have been installed at the port of Simon Bolivar in Guajira. At the present time, conveyor belts are being installed.

Coal exports have gone to Denmark, the United States, Italy, Sweden, Ireland, Holland, Norway, Greece, Israel, Finland and Great Britain. The largest shipment went to Ireland and Holland, amounting to 131,144 metric tons and loaded onto the "Berge Master" of Singapore registry. That vessel is the largest that has arrived in our country.

Garcia Leon added that given the trend toward specialization of modern business, the Colombian Bulk Transport Company, GRANELCO, was set up to move dry, bulk cargo such as cement, wheat, corn, beans, soybeans and coal, among other products. At the beginning of the year, GRANELCO signed a contract with INTERCOR for the transport of the first coal exports from El Cerrejon Norte to Puerto Bolivar, which averaged 200,000 tons a month. It is likely that by the end of the year, such exports will amount to 2.5 million metric tons.

GRANELCO said the shipments were distributed as follows:

<u>Metric Tons</u>	<u>Destination</u>
33,064	Denmark
26,920	United States
44,077	Italy
36,594	Sweden
131,144	Ireland and Holland

50,205	United States
65,978	Norway
62,135	Greece
100,326	Israel
46,973	Finland
36,443	United States
64,125	Holland
60,000	Great Britain
14,000	United States
135,000	Holland

It was also reported that CARBOCOL [Colombian Coal, Inc.] has awarded another contract to GRANELCO for the transport of 200,000 tons of coal a year. The eight shipping companies participated. Shipments will average 20,000 tons at the Port of Simon Bolivar and will go to Ponce, Puerto Rico.

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CSO: 3348/909

COLOMBIA

HYDROELECTRIC POTENTIAL POWER ESTIMATE SAID DISTORTED

Bogota EL TIEMPO in Spanish 12 Aug 85 p 5-A

[Article by Jaime Arias Restrepo]

[Text] It frequently happens that when figures are given on a specific issue of national interest, with the passage of time, it is the overall picture that takes on importance, while the different parts of the picture are forgotten or relegated to a secondary level, even though the reality of the entire picture depends on them. One case of this type of distortion is our hydroelectric potential, estimated at 93 million kilowatts (kw). It is said that this puts us in second place in Latin America, after Brazil. It is therefore worthwhile to make a brief analysis of the projects making up our hydroelectric potential, so as to appreciate its limitations.

In 1974, the National Government authorized the completion of the Electric Power Sector Study (ESEE) for the purpose of surveying the country's hydroelectric resources. Five years later, in 1979, the ISA [expansion unknown] submitted the final report to the National Department of Planning.

The purposes of the survey were to identify hydroelectric development in all the hydrographic basins in the country with an installed capacity of over 100,000 kw and to evaluate their technical and economic features on the preliminary level. The social feasibility of such development was not taken into account.

The result of the ESEE indicated, with respect to hydroelectric power, that in 1979, the installed capacity was 2.9 million kw, that 6 million kw were being built or approved in programs of expansion up until 1988 and that the remaining potential was 84 million kw.

With respect to the economic aspect of the projects corresponding to the 84 million kw, they were put into five different cost groups: the first, totaling \$599/kw or less; the second \$600 to \$799/kw; and so on, going as high as projects of over \$1,300/kw, all at 1979 prices. The first group, meaning the lowest in cost, contained 32 projects with a capacity for 25 million kw, which is scarcely 30 percent of the total of 84 million kw, corresponding to higher-cost projects.

With respect to the technical portion of the 25 million kw in low-cost projects, it is already known that there are projects with problems that would make their execution very difficult, as in the case of Farallones on the Cauca River (2,120,000 kw) and Ayacucho on the Orinoco River (2,170,000 kw), on the Venezuelan border. As a result, 4.3 million kw should be subtracted from the 25 million kw in low-cost power in order to put things in their proper perspective.

If one then considers that thermoelectric power generated from coal can now compete with that from hydroelectric projects contemplated in our expansion plans, which are supposed to be low or "minimum cost," and if one realizes that we have enormous reserves of the mineral, one comes to the inevitable conclusion that the country must forget for many, many years the development of its hydroelectric potential (59 million kw), classified in 1979 at a cost of over \$599/kw.

But the problems of hydroelectric power do not end there. As originally stated, the ESEE considered the technical and economic feasibility of the projects, but not social feasibility.

The social feasibility to which I refer essentially has to do with problems caused by the flooding of large areas of land, which is inevitable in most hydroelectric projects. Of the 30 projects with 21 million kw with low-cost potential, 9 would have great storage capacity (over 1 billion cubic meters) with an added capacity of 13 million kw. Although it is not to be expected that all sites would present social problems resulting from the population affected by the flooding, there are nevertheless cases where such problems would inevitably occur, as in the Patia Project (2.7 million kw) in the Department of Cauca, and the Upia or Guaicaramo Project (1.3 million kw) in Boyaca. The peasant always knows what to do with his land, but he does not always know what to do with the money paid him when he is evicted.

From the social standpoint, thermoelectric projects have an advantage over the hydroelectric projects in that in addition to not having relocation problems, they become major sources of jobs in coal mining.

Given the facts stated, I believe that the country would do well to forget at least 63 million kw of its hydroelectric potential and begin to study sufficiently ahead of time (at least 15 years) the development of thermoelectric power and coal mining in the seven areas where major reserves are found.

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CSO: 3348/909

COLOMBIA

LOW PRICES STIMULATE OIL, GAS CONSUMPTION

Bogota EL TIEMPO in Spanish 14 Aug 85 p 8-A

[Article by Jose Suarez]

[Text] The national rate of consumption of products derived from oil shot up this year, a period when the Colombian Petroleum Enterprise (ECOPETROL) estimated that it would be around 6 percent.

Until 1984, the growth in national hydrocarbon consumption oscillated between 2 and 3 percent and the greatest demand in 1985 mainly relates to the low prices, Alfredo Carvajal Sinisterra, president of ECOPETROL, explained.

"It is undeniable that the low prices stimulate consumption," the high official said. According to international statistics, Colombia has the third lowest price in the world for a gallon of gasoline.

Carvajal Sinisterra said that the increase in consumption, which will practically double this year, is also the result of the reactivation of industries that use the different types of oil derivatives, but especially the transportation sector.

In 1984, total national consumption was 219,800 barrels a day, with a rate of increase of 2.1 percent according to ECOPETROL figures. The consumption of regular and high-octane gasoline was 82,276 barrels a day that same year, with an increase of 2.7 percent.

ECOPETROL sells a great variety of products derived from oil and natural gas. The power companies alone owe \$5 billion, it was revealed yesterday.

Carvajal Sinisterra spoke yesterday at a series of meetings planned by FEDEMETAL [Colombian Metallurgical Federation] with those enterprises in the public sector that make huge investments, such as ECOPETROL. Speaking before the forum, he maintained that in Colombia, "we have ignored one another in the oil industry and its development," and went on to say that the Colombian Oil Institute will remedy that indifference.

He noted that in order to meet an internal demand of over 80 million barrels of oil a year, the country will need to discover a field similar to Cano Limon in Arauca every 10 years.

He said that there is no scarcity of cooking fuel in the country and that ECOPETROL has not changed and does not intend to change its policy of producing that fuel used for domestic purposes.

The subsidy which the enterprise provides for the consumption of cooking and domestic fuel is \$2 billion a year. The company intends to promote the program of coal briquets as a substitute, but until there is a real supply, the cooking fuel policy will not change, he reiterated.

Carvajal Sinisterra asked the national industry to step up projects to produce goods for the oil sector, especially capital goods. During the 1982-1984 period, oil companies consumed \$259 million worth of such goods. National industry supplied scarcely 5 percent of that figure.

The lack of attention of manufacturers to oil activity was emphasized when Carvajal Sinisterra cited what is happening with the distribution of fuel, which has historically been in the hands of foreigners.

An ECOPETROL document announces investments of the oil industry totaling \$2,482,800,000 in the 1985-1988 period in development, refining, petrochemistry, transport and storage, with broad prospects for national businessmen.

Of that sum, development through partnership contracts will amount to \$1,175,000,000, while that exclusively done by ECOPETROL will amount to \$318.6 million. Refining projects will total \$102.9 million; petrochemistry, \$3.3 million; transport and storage \$287.6 million. Construction of the Cano Limon-Covenas pipeline will cost \$594.8 million.

In the past 10 years, ECOPETROL has invested \$213.9 million directly in exploration and it has participated in partnership contracts to the tune of \$189.7 million.

For 1987, investment figures for partnership contracts are \$3 billion, of which ECOPETROL will provide \$1 billion.

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COLOMBIA

BRIEFS

NEW INDIAN, PRC AMBASSADORS--New Indian Ambassador Mukur Kanti Khisha and new PRC Ambassador Li Quoxin [spelling as published] have presented their credentials to President Belisario Betancur. [Summary] [Bogota EL TIEMPO in Spanish 30 Aug 85 p 12-c PA]

NEW DEPUTY LABOR MINISTER--German Bula Escobar has been appointed new labor and social security deputy minister. [Summary] [Bogota EL SIGLO in Spanish 4 Sep 85 PA]

ECONOMIC STATISTICS--Bogota, 5 Sep (AFP)--The National Administrative Department of Statistics (DANE) reported that during the first 6 months of 1985 there has been a decrease in salaries, construction, and trade in Colombia while unemployment rose to 14.7 percent. The official statistics disclose that the average salary of Colombians decreased by 1.87 percent, the construction industry decreased 11.2 percent, and sales decreased 8.23 percent. [Text] [Paris AFP in Spanish 1448 GMT 5 Sep 85 PA]

LANDS OPEN FOR EXPLORATION--The Colombian Petroleum Enterprise (ECOPETROL) has opened up 6 million hectares in regions of Putumayo and Caqueta in the south in order to permit new oil exploration by foreign companies operating in the national territory. It is hoped that exploration will be accelerated from 28 to 72 wells a year and that the ratio of wells explored to those with developmental potential will be reduced from 12 to 1 to 7 to 1, according to Minister of Mining and Energy Ivan Duque Escobar. The interest of foreign companies in initiating exploratory operations in the south is obvious, as demonstrated by the constant applications made to ECOPETROL for the past several weeks. Regions opened up for this type of work were exclusively in the hands of ECOPETROL for its own exploration, but the boom of the oil policy since the discoveries of Cano Limon in Arauca led to the decision to permit increased activity by foreign companies. The minister also revealed that the philosophy of partnership contracts in Colombia for the oil sector is of such importance that Argentina is using the same type in order to ascertain their scope. [By Jose Suarez] [Excerpts] [Bogota EL TIEMPO in Spanish 7 Aug 85 p 5-B] 11,464

CSO: 3348/909

DOMINICAN REPUBLIC

BRIEFS

JAPAN DONATES AGRICULTURAL AID--The Japanese Government has signed an assistance agreement donating U.S. \$1.3 million to the Dominican Republic for the purchase of agricultural equipment. According to a press release from the Japanese Embassy, the aid project called "Food Production Increase Program" for 300 million yens should specifically benefit purchases of fertilizers, pesticides, and agricultural machinery for rice production. In the note, the Japanese Embassy says for this reason it is contributing to one of the Dominican Republic's more urgently needed programs. [Excerpt] [Santo Domingo LISTIN DIARIO in Spanish 28 Aug, pp 1, 13 FL]

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ECUADOR

FEBRES ADMINISTRATION'S FIRST YEAR IN POWER ANALYZED

Febres' Leadership Style

Guayaquil VISTAZO in Spanish 2 Aug 85 pp 10-12

[Text] The Pros and Cons of the New Model

We live in a day and age in which the underdeveloped countries must slough off the archaic, black-and-white rhetoric that persuades us to make changes without clearly defining what the goals are. In this regard, we can say that during this administration's first year we have seen a president who has eschewed ideological cliches and sought to govern free of political commitments that would detract from his individuality and prestige.

It has been a moral victory to abolish the local "sinecure" that gave carte blanche to political turncoats. Although cushy jobs are still handed out to put together an unstable congressional majority, it is no less true that the cult of handing over government jobs has been abolished.

One of the virtues of the reconstruction government has been to instill confidence in the country's production sector, which is mainly in private hands, and this confidence has generated extraordinary optimism. We cannot, however, say that the government has surrendered unconditionally to the people who claim to be the engine of the nation's economy. The best proof of this is that in spite of this sector's repeated complaints, control over foreign trade has been maintained, through the Swiss firm SGS. Furthermore, even though the president and the industry minister were closely tied to the industrial sector for many years, they have not hesitated to proclaim and to implement a comprehensive tariff reform that will take effect over the protests of the industrialists, many of whose firms have been overprotected and, therefore, inefficient, to the serious detriment of consumers.

Another major feature of the administration's first year is that the opposition has not been the stumbling block it was expected to be, as it has been gradually picked apart by a president who gives no quarter to those who attack him. Herein lies a major criticism of the current administration. Although ours is an essentially presidential system of constitutional government, it is no less true that in his zeal to quell the opposition, the president has distorted the concept of authority into

authoritarianism. Even though this is the result of a strong presidency, the opposition is also partly to blame, as it has sought to scornfully impose hasty "political plum" appointments on the congressional minorities.

#### The Economy

There have been several major economic accomplishments. The administration's supporters and opponents and the foreign press alike agree that its most significant contribution has been the rescheduling of our foreign debt. There was no lack of criticism, though, the argument being that with a 3-year grace period the next administration would actually begin paying back the debt. The president himself, however, virtually refuted this argument by reporting that under the gradual amortization arrangement the grace period extends in practice for 5 years.

As far as foreign investment is concerned, three oil contracts have been signed, with Occidental, Exxon-Hispanoil and Belco. Although the negotiations for these contracts began under the previous administration, they had become bogged down in the bureaucracy, with the resulting delays in expanding our fossil fuel reserves. Not only did the new administration promptly bring the talks to a successful conclusion; it also called a new competitive bidding and assigned three new exploration areas, which will double the country's reserves to 917 million barrels.

Concurrently, the problem of the Amazonas refinery is being resolved; the previous bidding created a controversy because it was conducted on false grounds. New bids were called for, and the refinery will go on stream in 18 months. In addition, the expansion of the Esmeraldas refinery is under way. Another significant contribution was the completion of work to extend the oil pipeline, which had been on hold owing to the failure to allocate funding.

In conclusion, procedures were speeded up for secondary recovery in the Sushufindi field, where the country was losing 10,000 barrels of oil a day. This extra output has been instrumental in offsetting the drop in crude oil prices.

#### Food, Housing and Jobs

As for the campaign slogan of food, housing and jobs that sought to win over the masses, we can say that the promises are still far from being kept. The price of food and medicine continues to rise, though in the case of medicine a bill has been passed to provide 1.6 billion sures for the purchase of generic drugs and 1.5 billion for free medicine to children under the age of five. The program is just beginning, however, and low-income segments still cannot obtain low-cost medicine.

There are two factors pushing prices up. The first is poor harvests due to a light winter rainy season, and the second is the marketing of short-cycle products, which cannot be kept at their floor support prices because

ENAC [National Enterprise for Warehousing and Marketing] cannot afford to buy all of the farmers' output.

As far as the Housing Plan is concerned, official reports underscore that 27,000 housing units are being built in the country. However, the question is how many of them have been completed, delivered and deeded. In any event, around 30,000 housing units must be completed every year, which is not the case.

It is hard to tell whether there has been an increase in employment because there are no reliable statistics. We can assert, however, that at least the administration has tried to protect jobs. For example, the payback periods for the sucre-denominated debt have been extended, thus preventing the collapse of many companies and, hence, the loss of jobs. In addition, the administration says that the approval of a minimum wage of 8,500 instead of the 10,000 that Congress was demanding, will maintain the existing pool of jobs. Finally, major moves have been made to revive the construction industry, which is the largest source of jobs in the country.

The bottom line on the administration's first year is positive, though we have noted some shortcomings. The outlook for the second year is even more promising because the administration has the opposition under control and has achieved a majority in Congress without resorting to the big "pork barrel" as did the past administration in handing over entire areas to a given political sector, the customshouses for example.

Moreover, the economy is already showing signs of recovery, and the results of this year's measures will be seen more clearly in 1986. Though still underdeveloped, Ecuador will thus continue to have better hopes for progress than the rest of Latin America.

#### Economic, Political Analysis

Guayaquil VISTAZO in Spanish 2 Aug 85 pp 15-18

[Commentary by Walter Spurrier: "A Brawny Presidency"]

[Text] President Febres Cordero's role in his administration seems to be that of problem-solver. He has effectively delegated the running of the government to his ministers and other high-ranking officials. Meanwhile, he concentrates on two goals: a) prodding the officials whose work has gotten bogged down; and b) tackling the political problem, which he regards as crucial.

The Economic Front

The president apparently gives his economic officials greater autonomy than he does politicians. Nevertheless, Febres Cordero has taken direct action whenever he has felt it was necessary. Some of the key policies are:

Reversing the capital account deficit that has stemmed from Latin America's debt crisis. The government's objectives have been: to reschedule the foreign debt for the entire presidential term, thus eliminating short-run principal payments, and to increase the inflow of foreign capital through soft loans as investment.

On this front President Febres Cordero has taken direct action by visiting the United States and meeting with U.S. Government officials and with potential lenders and investors.

Closely linked to the above is the need to expand direct foreign investment. Economist Xavier Neira, the industries minister, has a broad mandate in this regard. The Ecuadorean Government tried to convince the Andean Pact to amend certain regulations under Decision 24. When the Andean Pact failed to act promptly, the government proceeded to introduce the changes on its own.

Foreign investment in oil is a case apart. In less than a year the government of President Febres Cordero has signed contracts with three companies and has determined the order of priority for negotiating the contracts in the three zones for which bids were submitted during the most recent round.

#### Higher Oil Production

The administration intends to boost oil revenues in spite of the drop in crude oil prices. It will have to do so if it wants to keep its promise to creditors that after the multiyear rescheduling fresh loans will not be needed. The problems pending with Texaco have been taken care of; investment in secondary recovery has begun, and work has continued to bring the CEPE [Ecuadorean State Petroleum Corporation] fields into production.

#### Industrial Policy

Neira has put a new regulation into effect under the Industrial Development Law, gradually cutting back on the law's benefits, and he is preparing a controversial new tariff. The final version of the tariff will come from the president's office, inasmuch as Febres Cordero wants to make sure that the tariff reflects his philosophy on the matter. The new industrial policy represents the most important change in this sphere in almost 30 years.

#### Agricultural Policy

Leon Febres Cordero chose a strong agriculture minister, Mr Marcel Laniado, to make a 180-degree turn in farm policy: end the government controls that are regarded as excessive, and abolish the favoritism that farm policy is thought to show towards consumers at the expense of growers. Mr Laniado has not been helped either by the temperature or the

amount of rainfall, and farm production will be unexpectedly low during the first year of the Febres Cordero administration.

Foreign relations also bear the president's seal, as he has assumed a high profile here. One of the basic aims of his policy has been to maintain excellent relations with the United States and with the industrial world in general. Relations between Ecuador and the United States are conducted on a bilateral basis, as Washington prefers. Febres Cordero apparently enjoys a very good working relationship with both President Reagan and Vice President Bush. This year he will pay an official visit to the United States. President Febres Cordero has gone out of his way to show, however, that his alignment with the United States should not be interpreted as subordination, as his recent visit to the United States concluded with a stopover in Havana, where he was lavishly welcomed by Fidel Castro. Febres Cordero's visit put an end to Cuba's ostracism from Latin American diplomacy and paved the way for future visits by other Latin American presidents.

#### Politics

In contrast to what seems to be the case on the economic front, Febres Cordero is apparently involved in all of the decision-making by his main political officials: Government Minister Luis Robles Plaza and attorney Joffre Torbay, the secretary general of administration.

From the outset President Febres Cordero redefined the presidency by investing it with wide-ranging powers that his predecessors Roldos and Hurtado never claimed. To this end he was helped by the constitutional amendments that took effect last 10 August. To many, however, he has broadened the president's scope of action so much that he is endangering the basic constitutional principle of checks and balances.

At the outset of his administration the president had to grapple with a majority opposition bloc (the Progressive Front) headed by Raul Baca from Democratic Left (ID). No sooner had the legislative session begun than the president had a confrontation with the Progressive Front over the appointment of the new Supreme Court. In the face of the discreet but firm support of the Armed Forces for the president's position, the opposition sought a compromise. The judges who had been appointed resigned, and new choices were made.

#### Confrontation Over Wages

During the confrontation over the Supreme Court the president essayed the argument that Congress, meeting in special session, could not adjourn until it had taken up its entire agenda. He used the same argument very successfully soon thereafter as well. The president called a special session of Congress to take up a very extensive agenda, which prevented it from impeaching the natural resources minister, as it had wanted to, for raising fuel prices.

One of the items on the agenda was the wage boost. The president vetoed the bill that Congress had passed and submitted his own economic emergency bill, which called for a 29 percent increase instead of the 51 percent in the legislature's version. Congress, which was still in special session, adjourned the session, took up the president's bill and amended it in the image and likeness of the one that it had originally passed. Febres Cordero vetoed the amended bill, claimed that Congress had not followed constitutional procedures, concluded that his bill had not been considered and promulgated it in the Official Gazette 15 days after he had submitted it to the legislature.

Both parties appealed to the Constitutional Guarantees Tribunal (TGC). The legislative majority saw this as a reflection of President Febres Cordero's willingness to accept some degree of control by other government institutions. During a lull between the disputes over the Supreme Court and the minimum wage bill, the members of the TGC were selected. The Progressive Front established a majority and elected Mr Edgar Ponce, the representative of the central union organizations and a member of FADI [Broad Front of the Left], as the tribunal's president.

The chief of state, however, had issued an executive decree stipulating that the TGC could take up requests to annul or challenge acts or laws only after the attorney general approved them; what the TGC was actually being told was that it could not pass judgment on administration actions.

The TGC declared the aforementioned executive decree null and void and ruled that Congress had not violated the constitution. It challenged the administration's action on the wage issue but refrained from declaring null and void the wage boost it had ordered.

The minimum wage affair culminated in a clear-cut victory for the president, demonstrating that the opposition majority lacked what it takes to rein in the Executive Branch.

#### The Majority Shattered

Congress's powerlessness vis-a-vis the president broke the morale of the marginal members of the legislative opposition, who have since gradually deserted the Progressive Front. Since the outset of the session the PD has lost three of its five deputies, one of whom joined the CFP [Concentration of Popular Forces], while the other two remained independents. The PD itself has reorganized and apparently will henceforth pursue a policy of milder opposition to the government. The DP [Popular Democracy Party] lost one legislator, who is now an independent. ID also lost one and then expelled another. A third ID lawmaker left the party on 4 June, leaving the Progressive Front with just 35 of the 71 legislators, no longer a majority. Since then another lawmaker has departed from the ID, and an adviser to the president is predicting further desertions from the Progressive Front.

A new majority emerged and appointed a new bank superintendent and a new attorney general. The majority consists of the deputies who back the administration, 16 from the parties that make up the FRN plus 7 independents, that is to say, deputies who have direct ties to the president's office. This bloc has allied itself with the CFP (9) and the FRA [Alfarist Radical Front] (5) to total 37 votes.

To the chief of state the new majority represented an opportunity to make certain appointments that the administration was interested in, to prevent the hardline opposition from getting into other government institutions and to work together with Congress on the passage of certain important bills.

The opposition has not passively gone along with President Febres Cordero's bold initiatives. If the chief of state were to promulgate his wage bill in the Official Gazette, as he in fact did, without incorporating the legislature's amendments, Raul Baca claimed that "it would be an absolutely dictatorial action. Authoritarianism would be taking shape in the country, forcing government institutions to defend the constitution and other laws."

The president of the Congress feels that the system of checks and balances cannot function as it ought to if the president assumes the duty of interpreting the constitution.

Who is right? President Febres Cordero when he contends that he is defending the constitution? Or the former president and the heads of Congress and the Supreme Court, who accuse him of violating it?

#### The President's Actions

It can be generally argued that the legislature in Ecuador has usually handcuffed the Executive Branch or at least paved the way for coups and that a forceful presidency that stretches the constitution to its limits is better than either a powerless presidency or a dictatorship.

But if we go by a straightforward reading of the constitution and bear in mind the principle of the separation of powers, there is substance to the argument of the administration's opponents that it has exceeded the constitution's bounds.

The matter is purely academic at this point. If all that President Febres Cordero wanted to do was disarm the legislative opposition, he has succeeded.

Leon Febres Cordero has emerged from his first year in office as a very strong president who is impatient about having to respect other institutions, at times puts too much pressure on them, enjoys the unqualified support of the Armed Forces and the strong political backing of private enterprise, gets generally favorable press and has Guayaquil as an enthusiastic political base. He has also demonstrated his

skill at getting the machinery of government moving and at having it follow his instructions. He is, however, coming close to being a president who cannot govern within constitutional limits.

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ECUADOR

ID'S PREDICTIONS ABOUT FEBRES ADMINISTRATION VIEWED

Guayaquil VISTAZO in Spanish 2 Aug 85 p 29

[Commentary by Alejandro Carrion: "No One Is a Prophet in His Own Land"]

[Text] Democratic Left (ID) has not turned out to be a good prophet about the Febres Cordero administration. In fact, the entire campaign that the socialist party waged for its candidate, Dr Rodrigo Borja, was one long prediction about what would happen if Mr Febres Cordero were elected. Today we can judge how accurate its predictions were.

The Ecuadorean people's freedoms have not been curtailed. The Ecuadorean people are as free as ever under the administration of the "conservative, fascist" oligarch. They are free to assemble, to associate, to hold opinions and to voice those opinions. There is freedom of the press, radio, television and book publishing.

The national economy has not been throttled by the greedy enrichment of the business oligarchy, backed by the government. On the contrary, mature development plans have been implemented; loans are available to producers; the debt has been rescheduled; there are good prospects for reducing inflation, and the dollar has halted its upward march.

The administration's enemies have not been persecuted. They all enjoy good health and enhanced freedoms; they can oppose the government without risk to themselves.

There has been no persecution of the "intelligentsia"; writers are living and creating as they always have.

Public education is being imparted freely and peacefully, and the accustomed protest movements by the UNE [National Union of Teachers] for higher wages carry no risk for them. Likewise, the universities are freely pursuing their endless battle for a bigger budget, having now burnt an astronomical number of tires.

The labor organizations dominated by the communists have not been broken up. They continue to operate in freedom, as provided for in the laws that govern the unionization of Ecuadorean workers, and the protest movements organized by the FUT [Sole Workers Front] stage their "general strikes" without any interference or crackdown by the administration.

Perhaps only one of the ID's prophecies is coming true: urban terrorism. They said that if the oligarch won, terrorist movements patterned after Colombia's M-19 would emerge in Ecuador. As things are going, this seems to be ID's only accurate prediction.

The fact is that the administration of Mr Febres Cordero is functioning normally, the only stumbling blocks being the ones posed by the ticklish economic situation that it inherited, a situation that an extraordinary team of economists is skillfully riding out. The National Congress, in which ID pushed for the formation of a formidable majority, has been unable to topple the government. On the contrary, the Congress seriously discredited itself in the eyes of the citizenry, which has not looked kindly on 1 year of no legislative or monitoring activities. It was not even able to pass the Law of Congress, the sorry old Organic Law of the Legislative Function, which has been pending for 6 years now. So, even though you might not believe it, Congress is operating outside the law.

The cabinet has turned out to be unusually stable, and we say this because the administrations of Roldos and Dr Hurtado alike had accustomed us to constant comings and goings of ministers. The ministers seem very serious, restrained and hardworking. There has been no nationwide resistance to any of them, as there was with certain ministers in the previous two administrations.

The current administration has, in general, proven acceptably honest. The customary scandals in the National Enterprise for Vital Products, the National Enterprise for Warehousing and Marketing and at customs offices have not yet recurred, which is certainly encouraging. It has been some time since we have seen one, and by this time we are losing hope.

It also seems as though a tangible, albeit not spectacular degree of austerity is being practiced. There has not been much ostentation or waste, so in this sphere too the approach is one that we have not seen in a long time.

One factor that is beyond the administration's control could seriously hamper its efforts: the crisis on the world oil market. If we can prevent a full-fledged crisis from breaking out, we have reason to hope that the Febres administration will continue to perform as it has so far and begin achieving some permanent successes.

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## BIOGRAPHIC DATA ON NEW CONGRESSIONAL LEADERS

### Averroes Bucaram's Political Career

Guayaquil VISTAZO in Spanish 16 Aug 85 pp 6-8

[Article by Fernando Artieda: "Don Assad's Heritage"]

[Text] The only son of "Don Buca" [Assad Bucaram Elmalim] who turned out to be a politician is gradually taking over positions that cost his father blood, sweat and exile. It is as if the shadow of the late leader, from the very tomb itself, were clearing the narrow path which his son Averroes would take, but with far fewer complications. The grandiloquent physical image of the second son of Assad Bucaram has thus taken the place in the sun once occupied by the "noble-hearted peasant."

#### Who He Is

The second son of Assad Bucaram Elmalim and Olfa Zaccida de Bucaram, Averroes Bucaram is a Guayquil doctor born on 16 October 1955. He is married to Glenda Alcivar Gomez and they have a daughter named Glenda Brigitte. The three live in the comfortable but not luxurious home in the Los Esteros development in southern Guayaquil.

Averroes has been an active member of the Concentration of Popular Forces (CFP) since the age of 15, his membership coinciding with the founding of the so-called CFP Youth when, along with his brothers (Omar and Avicenas), he was a student at the Aguirre Abad National High School. Averroes began his political career when his brother Omar ran for the presidency of the Association of Students of the school. In a campaign not lacking in incidents of violence, the Bucarams won the election.

#### Short Pants

Don Assad's sons have experienced politics since they were children. Their first memories of politics are the times of exile of their father. Averroes remembers the hard times they suffered when the family had no money. They bore with dignity the poverty of those days when they had to stretch Don Buca's savings and when they refused to accept the gifts generously offered by friends of the exiled leader and members of his party. Averroes also emphasizes the role played by Dona Olfa de Bucaram in those difficult days, trying



Dr Averroes Bucaram Zaccida, 30, member of the CFP and president of the National Congress.



Dr Ivan Castro Patino, 35, leader of the FRA [Alfarist Radical Front], who assumed the vice presidency of the Congress on 10 August.

to make her children understand that it was "politics," the risks that had to be run by "anyone fighting for the people," as she put it.

#### Adolescence and Militancy

Averroes Bucaram began to get his feet wet in politics at the age of 15. His father had been exiled by Velasco Ibarra and the young Bucaram began to travel the country, trying to form the CFP Youth groups. When the CFP members were persecuted by the government, Averroes was taken prisoner with the investigation of the kidnapping of Gen Cesar Rhon Sandoval. He was held by the Guayas 5th Battalion but later released because he was a minor. A year later, when he was 16, a convention held in Ambato elected him national director of the CFP Youth.

#### Dock Work

They were difficult times for the Bucaram. Money was scarce and Averroes, always quite husky, went to work on the docks. He became a *vaporino*, working as a *guachiman* or stevedore. He reflects and says: "It was a decent, honest way of taking something home and helping my mother and brothers to make it."

#### Don Buca's Guidance

Averroes evokes the memory of his father with respect. He says that the political relationship with his sons was different, but that personal affection never got mixed up with controversial issues. The fact that one was his son meant no special privileges for Averroes, even in personal treatment. He emphasizes that in the party, they called him "Don Buca" and that his father called him *companerito*.

### History of Violence

Averroes Bucaram's stay at the University of Guayaquil, where he went to study medicine, was marked by a phase of violence. The so-called *atalas* were financed by the provincial government to demobilize the leftist forces that had traditionally monopolized political power in the university. The CFP members wanted to win that space under the banner of the University Independent Front, led by the now doctors Averroes Bucaram and Alfredo Santelices. The fight against *cabezon* and *chino* communists was relentless. Shootouts, attacks, threats and bombings were the order of the day. Within such a framework, the independents captured a number of university posts. "We are an anti-communist party par excellence," Averroes Bucaram admitted, while categorically denying having participated in such acts of violence. He claims that these were always communist slander.

### Deputy Averroes

He was elected alternate deputy in 1978. His father refused to allow him to run as the fourth principal deputy in order not to portray the image of family privilege. This was the beginning of his congressional experience, always alongside his father, learning from the natural teacher of his entire life all the perquisites of the office. There were many incidents -- some of them violent -- in which the press implicated the alternate CFP legislator. Subsequently, in the midst of a legal controversy over his age, Averroes Bucaram came to be deputy for Guayras Province. The last congressional incident was when his bodyguard and the alternate deputy for the CFP, Nelson Pastor Vera, was shot and killed by former CFP Deputy Julio Ayala Serra, as the result of a verbal and armed confrontation in which the press claimed that Averroes Bucaram was involved. The now president of the Congress enthusiastically emphasizes the approval of funds for the University Hospital and when drug prices were frozen. He complains of the congressional boycott of the "sectarian opposition," as he puts it, to other proposals of his party. He noted the emotion "one feels when one knows one is serving the people."

At the age of 30, hard as it may be to believe, this man is the new president of the Congress.

### Ivan Castro's Career

Guayaquil VISTAZO in Spanish 16 Aug 85 pp 10-11

[Article by Carlos Jijon: "From Cecilia's Husband to Vice President of the Congress"]

[Text] Strangely enough, the national political life of Ivan Castro Patino (a Guayaquil native, 36, now vice president of the National Congress), began with the assassination of his father-in-law, Abdon Calderon Munoz (director of the Alfarist Radical Front (FRA) and former presidential candidate for that party) at the hands of the reigning military dictatorship. And yet, he did not start out as a principal protagonist on the political scene, but rather, as a secondary personage and furthermore, behind the scenes. For 6 years, Ivan Castro was nothing more than the husband of Cecilia Calderon, national

director of the FRA, and her principal adviser in the fight to rehabilitate the party after it was legally outlawed by the dictatorship, competing with the Bucaram family in the local election lists. Cecilia's slogan in the 1980 sectional elections was "Neither Averroes nor Abdala: We are tired of the Bucarams." Seven years later, Castro was nothing less than the running mate of Averroes Bucaram in seeking the leadership of the Congress and together they won, although with the barest of margins.

#### Son of One Political Figure and Husband of Another

Politics was always the natural environment for Ivan Castro. His father, Dr Nicolas Castro Benitez, was a well-known Liberal who became vice president of the Senate in 1959 in opposition to the Social Christian Government of Camilo Ponce. A year later, he would be a candidate for the vice presidency of the republic, teamed with Galo Plaza, but losing the election to Velasco Ibarra. As a result, Ivan, the second of six brothers, waited to see how the political pendulum would swing. Always a good student and with a certain theatrical flair from the time he was a child, he liked to participate in school plays and recite for his grandfather, a Liberal who had been governor of El Oro Province. However, his childhood, otherwise normal, was sometimes affected by the turbulent national political life. "I clearly remember when my father was exiled to Paraguay," he says. "Along with my father were Assad Bucaram and the man who would become my father-in-law, Abdon Calderon."

Years later, Castro was admitted to the School of Law of the Catholic University of Santiago de Guayaquil, where he was an honor student. In his 6 years of study, he received the first prize of the School of Jurisprudence and on three different occasions, the Catholic University Prize. He entered university politics and was elected president of the Law Students Association, AEDUC, replacing Xavier Ledesma, now a high Democratic Left leader. At the same time, he was a teacher, first in high school and later at the Catholic University, teaching the history of law and labor law.

Once he had obtained his law degree, he took over the Castro Benitez Legal Practice and married Cecilia Calderon, whom he had known since they were children. Their parents had been prominent Liberal leaders and even comrades. Cecilia did not yet dream of becoming an important political leader and for years, theirs was a common middle-class marriage: he, an attorney specializing in labor law, a fan of Emelec, although not a fanatic, and an avid reader; she, an economist practicing her profession, housewife and mother of three children. The last, a daughter named Maria Cristina, had just been born when Cecilia's father was dying, the victim of a political assassination. It was then that their lives changed radically.

"That night," Ivan Castro relates, "Cecilia, weeping, asked me what she should do. The members of the party asked her to take over the national leadership, but she felt unsure." If Cecilia did not accept, the other choice was apparently Castro and Cecilia herself wanted her husband to decide the situation. "I explained to my wife that it was her responsibility and that she was the right person to face things better, that she would have my complete support. We therefore went to work and traveled to every corner of the country."

Between 1979 and 1984, Cecilia Calderon participated in two election campaigns, always with the support of her husband, who acted as her adviser and strategist, but always behind the scenes. In the beginning, Cecilia did nothing without the approval of her husband, who corrected her speeches and eventually prepared them for her. In 1980, they won overwhelmingly, competing with Averroes and Abdala Bucaram. In 1984, things were different. Initially, Ivan wanted Cecilia to be a candidate for deputy, which she opposed. She wanted to face Abdala in the Guayaquil mayoral election and for her husband to go into Congress, which is what happened. Cecilia lost, but Ivan went into the Congress at the head of a legislative bloc of six deputies, which was soon reduced to five with the withdrawal of Edgar Molina Montalvo. The latter had run with Abdon Calderon in the 1979 campaign and he thought he should rightfully lead the congressional bloc of the FRA since Castro was no more than the husband of the national director.

### Third Position

The rest is recent history. Once in Congress, Castro refused to align himself with the two majority blocs: the government Reconstruction Front and the Progressive bloc, in opposition, and tried to head a "third position," which in practice turned out to align itself with the government and of which Castro is just one more member rather than the leader. He ran for presidency of the Congress, but had to yield to Averroes Bucaram and accepted the vice presidency (one of the members of the FRA, Galo Atiaga, tried to take that away from him also). And yet, Castro is determined to be a leading political figure, like his father and his wife, and devotes all his energies to that aim. He has already taken the first step, although since he is a provincial deputy, his term ends in a year. We shall then see what he does.

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ECUADOR

ADMINISTRATION, CONGRESS FACE NEW CHALLENGE

Guayaquil VISTAZO in Spanish 16 Aug 85 p 29

[Article by Hugo Ordonez Espinosa]

[Text] The first year of Leon Febres Cordero's government has drawn to a close and we are beginning the second. A fair amount has been said and written about the first in recent weeks. Politicians and newsmen make their analyses, from the most varied viewpoints and based on the most diverse criteria, of what national policy was during that time and, more specifically, of what the president did or did not do. The conclusion that one draws from all these analyses is that this year was particularly difficult and problematical. It was a year in which we moved from crisis to crisis, a year when the constitutionality and legality of the procedures of the Executive Branch and Congress as well were constantly challenged, when Ecuadorean democracy -- our poor, little democracy -- had to walk a very narrow line. And finally, it was a year in which, viewing things from a more concrete angle, the most precarious and feeble legislative majority of our parliamentary history engaged in constant, sharp conflict with a steamroller Executive Branch, headed by and embodied in a man of an equally steamroller personality. It has been a fight in which the very weakness of that majority came to be perhaps the greatest strength of the Executive Branch and which, converted into a political "catch-as-catch-can," with everything permitted and nothing prohibited, came to the only possible end: The legislative majority was defeated, extinguished and finally, replaced by another, which has now become the protagonist.

Thus begins the new political year, with an Executive Branch that already has a legislative majority. The first result of the new situation will be that in the future, there will not be between the Congress and the Executive Branch the fights that had more than exhausted the people's patience. The second, even more important than the first, is that the Executive Branch will have to devote itself completely to keeping its campaign promises, meeting the most urgent, imperious needs of the Ecuadoran people: bread, a roof over their heads and work, along with health and education. For its part, Congress will have to concentrate on its main duty, which is that of passing laws and levying taxes, for only in this way will it be able to "ransom" its name, honor and image of which the promoters of the "new majority" constantly speak. Naturally, both parties, the Executive and Legislative branches, will have to adjust their conduct to the strict constitutional and legal norms.

With regard to taxation, so many challenges have come in recent months that even if Congress were to devote itself solely to them, there would not be time to deal with them all. If there are to be challenges, they should be only those required by the authentic need for rectifications in the official conduct and, in the final analysis, by vital interests of the public welfare.

In the legislative sphere, the task which Congress must complete is even broader. It must take up the proposed Organic Law on the Legislative Function, whose passage this Congress must make a point of honor, for it cannot be possible that we would have to continue saying that we have a Congress that is not even capable of setting forth its own law. Congress must also pass the law on creation of the university patrimony, which cannot continue to languish, and the law against the illicit enrichment of public officials and employees, a law the public has demanded for years. Then there are the "social welfare" laws of which there is so much talk. With maximum seriousness and inexhaustible caution, Congress must also face the problem of constitutional reform, without claiming to solve it all at once, also out of seriousness and caution.

With respect to the president, I count myself among the many Ecuadorans who would welcome the aspiration that Angel F. Rojas expressed in his article published in the last issue of this periodical: "...We wish," Professor Rojas tells us, "that he would more carefully administer his leonine qualities and let us see a little more of the lamb" [play on Leon and Cordero].

11,464  
CSO: 3348/929

EL SALVADOR

FREE FATHERLAND SECRETARY DEFINES PARTY STAND

PAO71947 San Salvador LA PRENSA GRAFICA in Spanish 4 Sep 85 pp 3, 54

[Text] Our actions seek to achieve the reactivation of El Salvador at every level and to resolve the countless problems that we have. A free fatherland [Patria Libre] will again bring progress to the country. This was stated yesterday by Hugo Barrera, secretary general, who announced the guidelines of his political activities.

This party, with help of the people's support will become the necessary alternative required by El Salvador to find the solutions to all the problems besetting us, he said. The 1988 elections for mayors and deputies will be based on our experience. I believe that the Salvadoran people with their political maturity will give us their vote.

Hugo Barrera was asked by newsmen about the position of Patria Libre regarding the different stands voiced by the politicians on the parties. Are they right-leaning or moderate parties? He responded firmly: "The Marxists have engaged in the task in recent years of trying to define the political parties as if they were fighting cocks. They want to define some as rightwingers and others as leftwingers and when they have them in the position they deem fit, they want to pit them against one another. We have been in a clear position in defense of the system, of free initiative. That will be the basis of our conduct from the political, economic, and social standpoint," he responded.

"Our position is beyond any such simplistic position as that of the left or of the right, Barerra added.

Regarding the differences with the National Republican Alliance, ARENA, he replied: "As is logical there are some differences. Not all political groups act alike. We are a collegiate group, we do not depend on the will of only one person or a small group, but fundamentally depend on the majority decision of all the members of Free Fatherland, and we are intent on being the political alternative needed by the country," he concluded.

CSO: 3248/525

GUATEMALA

MLN CANDIDATE ON CONSTITUTION, MILITARY, ELECTIONS

Guatemala City PRENSA LIBRE 23 Jun 85 Sunday Supplement pp 8-10

[Interview with Mario Sandoval Alarcon by Mario Antonio Sandoval, in Guatemala City; date not specified]

[Text] While the country's political forces are sustaining the interest of Guatemalans through the proliferation of candidates for the presidency of the republic, some leaders seem to be watching the panorama calmly.

One of them is Mario Sandoval Alarcon, whose campaign is based on the fact that his 42 years of participation in rough political terrain comprise a longer period of time than even the ages of some of his fellow candidates. Those opposing him note that this factor, rather than benefiting him, represents a problem for him; because he has participated too long in the decisions which, to some extent, have taken the country to the political and economic dilemma in which its finds itself. This is admitted by the candidate himself, who has already stated publicly that, "For better or for worse, I have been a leader in decisions of extreme importance to Guatemala's existence."

Several things concern Mario Sandoval Alarcon: the poor quality of the Constitution, the increase in candidates dividing the right, and the image that the Army may have of both him and his party. The conversation takes place concerning these topics, accompanied by a cup of coffee, at the headquarters of the group of advisers (his "young officers," so to speak), in Zone 10 of the capital.

[Question] The most recent candidacy of the right wing groups is that of Mario David Garcia. How do you view it?

[Answer] It is nothing new to me that Mario David should want to be president of the republic. One need only know and understand his past and personality to realize his interest in attaining the top executive position in the nation. This completely foreseeable interest is partly prompted by his youth and anxiety regarding Guatemala's problems. I don't think that there is ideology in that interest, because in that event he would have ended up in the haven of freedom, as MLN [National Liberation Movement] is. They are, rather, political interests of a different type.

Mario David is not a serious presidential candidate carrying weight. Since he made his acceptance public, I have not heard a single good opinion of him or his candidacy. The fellow, like Jorge Carpio, has made one of the traditional crass mistakes of political life: believing that, because one is a journalist and controller of a news medium, he can be president of the republic, without having the necessary maturity and experience. His public image is controversial, and repudiated by the population, particularly because of the cruel way in which he has attacked his many enemies, and has manipulated the press to influence public opinion.

At the present time, his candidacy is similar to that of Chapulin Colorado, so that "panic will not spread" [para que no "panda el cúnico"] -- possible play on the words para que no "cunda el pánico" and because "we lacked his cleverness" [Sic]. In my opinion, there is nothing more sacred than professional ethics. For a journalist, the latter consists of conveying information adhering to the truth and treated in an objective manner. The violation of this principle, through the manipulation of the news, prostitutes journalism and violates one of the most fundamental human rights that the person has by divine and natural origin, namely, the right to be truthfully informed. Both Mario David Garcia and Jorge Carpio have seriously failed in this fundamental, universal principle, actually helping to corrupt both Guatemala and journalism in this way.

Under the pretext of combating corruption or supposedly defending freedom, Mario David Garcia has been manipulating the news to influence the public improperly and prepare his presidential campaign. Without any intention of making this a lesson in ethics, that is reprehensible. I ask: How can anyone who believes and practices the principle that the end justifies the means morally seek and aspire to lead the nation at its most dangerous and critical time?

I am certain that the notion of Mario David Garcia's presidential candidacy first arose in his own mind, and later in the minds of the other members of CAN's [Nationalist Authentic Central Party] lilliputian elite. Since he is an intelligent fellow and aware of CAN's internal problems of unity and coordination, his purpose and true intention could not be that of seeking to become president of Guatemala in the short space of 4 months. He knows that this goal is impossible. What could be the purpose of such a reckless adventure?

My political intuition has told me that his immediate goal is that of dividing the right; and the mediate goal is to back and strengthen to a relative extent the damaged candidacy of Jorge Carpio, also allegedly backed by certain government sectors. Mario David has made commitments with sectors of the government, of which he has requested, among other things: 1. The amendment of the Electoral Law, so that he may participate although under 40 years of age, something which has already been carried out; 2. The registration of the nationalist academic movement of the "new right" as a political party, thereby betraying his ideals and his friends. 3. The neutralization of his judicial problems and other commitments more of a national and international type, which it is not fitting to reveal at present.

He has also committed himself to ultraconservative sectors of the Guatemalan oligarchy, which have provided financial backing, as well as to certain Army

officers who want to manipulate the electoral process. This new participation without grounds has created fear in the Guatemalan Christian Democratic Party, which has charged recent alleged threats to its presidential candidate. Mario David has failed his family, his friends, his ideals, his profession and the nation; taking advantage of the precarious freedom offered by the incipient democratic openness to fulfill his personal interests.

[Question] It is said that you and MLN have been very quiet, without very much pre-election activity?

[Answer] That is not so. We have been working for the past 3 months on what is most important: the organization and selection of candidates for the mayor's offices of the 325 municipalities. They are nearly complete in 95 percent of the cases. Next, we shall finish selecting the deputies, and then those for the highest positions, on which the people are concentrating most. This strategy of selecting the mayors first is based on the fact that, by doing so, we automatically procure the support of their relatives and friends and the individuals who know them in their communities, thus facilitating the campaign for the deputies and at the same time for the candidates for the presidency and vice presidency.

In this respect we have an obvious advantage over the other parties, which will surely have internal confrontations as a result of this selection of municipal candidates. We have selected them based on the fact that they are livestock raisers, honorable people who are known in their communities as valuable individuals. They need not necessarily be members of MLN or of the other parties backing us.

It seems to me that doing this work is more important than making statements in forums and meetings. My 42 years' experience in the political life of Guatemala tells me that. We have pursued the same criterion for the selection of deputies. Some very worthy persons have agreed to participate, some of who are resuming political activity after several years' absence, and others have agreed to be on our side, even though they do not belong to the party.

[Question] What is your opinion of the new Constitution?

[Answer] It is not the best one that the country has had. And, I repeat: it is not the best. It has a few features which actually are grievous. I would mention among them the case of Belize, the vice presidency and the government workers' right to strike, to which is now added the lack of a reference to the age of the candidate for the presidency or vice presidency.

The matter of Belize is serious, because, although attempting to recover it may be described as utopian, at least in the Constitution of Guatemala there should always be the constitutional basis for being able to negotiate in some way, even if only for an outlet to the sea. As you know, I took a trip around the world to procure the international assistance for this situation but, unfortunately, General Laugerud did not allow the assistance that was procured to materialize. Now, the situation is worse: it is outside the Constitution itself. That seems regrettable to me.

As for the vice presidency, the next chief executive will have a serious problem, because although the vice president is elected by the people, the fact is that he is chosen by the presidential candidate, and hence will always be close to him. I am certain that there will be a conflict of authority. If there have already been some previously, for many reasons, there is all the more reason now. I had some differences with General Kjell, because my nature is more radical than his. As for Arana, he had no problems with Caceres Lehnhoff, and on many occasions let himself be guided by the latter's advice, which was that of a patriotic, competent man.

Insofar as the vice presidency is concerned, I can tell you that, despite this special status granted by the promulgated Constitution, there might be instances wherein a person is selected as a running mate for reasons of ideological affinity and not necessarily because he is a party member. At least that is our situation. We are in the final phase in this respect, and I think that, by 3 July, when another anniversary of Colonel Castillo Armas' victory will be marked, we shall be able to announce who the MLN candidate for that post is.

There are two other aspects which, I repeat, are grievous. One is the possibility of strikes among government workers. Can you imagine it? If there are already problems because of the inefficiency of government offices, everything will become worse with the strikes, which will surely take place in that union. I don't think that there is any government that could operate with this kind of threat hovering over its head all the time.

Finally, there is the matter of age. The present Electoral Law is not clear, and does not follow the Guatemalan tradition that the minimal age for the presidency must be 40. So, if a candidate wins the presidency when he is under 40 years of age, what will happen when that Constitution goes into effect? I don't believe that he could take office then. As you can see, it is a potentially dangerous situation for the country's political stability.

The mistakes are so many, so serious and so deepseated that they will force me to call for a new Constituent Assembly, consisting of ad honorem members, to correct all the errors that this Constitution contains. The present Constitution places too much emphasis on social development, in contrast to the one of 1965, which was developmentalist for the country as a whole, more concerned about developing production as the only possible way of creating wealth that would improve the living standard. I think that it is as if this Constituent Assembly were afraid of coping with the problems as it should have.

[Question] It is thought that the next president will not have total control of the government, owing to the tradition of the military position in recent governments. If you were elected, what would your relations with the Army be like?

[Answer] My relations with the Army have been very good over the years; in particular, the ideological affinity and the notion of its goals of defending

the national sovereignty against the Marxist advancement on Guatemalan soil have been virtually identical. With this background, my relations with the Army will continue to be cordial and marked by mutual respect.

I think that, unlike the other candidates, I can offer guarantees of a government that will exercise authority for the transition between the military regimes of recent years and Guatemala's democratic future. I believe that the next president will have total control of the government, but it should not be viewed as an autocratic, dictatorial control; on the contrary, insofar as we are concerned, we have developed a human team that is highly qualified in the different areas of the country's economic and governmental activity. Just as I shall consult the experts on agriculture or economy to make correct decisions, I shall do the same thing with the Army, through the Ministry of National Defense and the Staff, regarding the matters associated with national security and sovereignty.

[Question] How would you define the role that the Army has played during recent years?

[Answer] I have stated this on several occasions. In the area of defense of the national interests, the Army of Guatemala has played a spectacular and correct role; while you and I are conversing comfortably, sitting down with a cup of coffee, there are several hundred men fighting in the mountains to prevent the country from falling into the hands of the Marxist invaders. Without foreign aid since 1977, it has played a proper role, which has warranted describing it professionally as one of the most capable armies in Latin America.

Now then, in the administrative area and that of managing the country's economic affairs, inasmuch as that is not its field, serious mistakes have been made; and I would say not the Army directly, but rather certain members of the armed institution who have been involved in the task of governing and who have also been poorly advised by incapable technicians promoting the state's intervention in economic matters and the creation of state enterprises, the only result of which is indebtedness and a very high budget deficit.

[Question] What do you think of the formation of a special army or paramilitary group?

[Answer] The Army must be one and indivisible. No government which claims to respect human rights could or should create paramilitary groups, either secret or public. I am firmly opposed to the formation of armed groups to act apart from the constitutional activities of the National Army. During 1978 and 1982, Guatemala already had the experience of the presence of paramilitary groups directed and organized by high-ranking officials of the Lucas Garcia regime, which was unquestionably the period in which the most abuse was committed in this country. My government will severely punish all those who attempt to subvert order and commit abuses of authority outside the law.

The formation of special units is a common expedient to which all the armies of the world have resorted. Their duty is to specialize in a certain type of fighting. In Guatemala, for example, there are the KIB's, paratroopers and

other security forces with specialized training. The methods of fighting the nation's enemies become changed with the passage of time, which requires the security forces to become specialized and updated.

[Question] What do you think about the political participation of the different religious movements which exist in the country?

[Answer] I don't understand why you are asking me this question. There is freedom of religion in this country, and I think that everyone is free to practice his religion. What is not acceptable is for pastors, priests, preachers or whatever you want to call them, whose primary mission is to convey a spiritual message to the people of God or to assuage the suffering of their parishioners, to try to use their pulpits to influence the people politically. We do reject that and we do not approve of it.

I believe that we should respect one another, and that religion should not be another cause for division among Guatemalans. There is already enough division in politics, where ideological indecision has now arisen, to top off the ills. There is also division between mestizos and Indians, a situation which, unfortunately, certain irresponsible candidates are attempting to exploit. It seems to me that we should respect each other in the religious realm, because that is a very personal matter for each individual.

[Question] The situation in Central America has worsened, and there is tension on the borders of Honduras and Nicaragua. What is your position regarding this problem and the region's destiny?

[Question] My position regarding the problem, that is to say, peace, and the existence of an aggressive Nicaragua aligned with the Soviet-Cuban bloc, has been clear. I am the only candidate who has upheld public positions in this regard. I sympathize with and support the policies on regional security that Ronald Reagan wants to implement. I have placed primary emphasis on the diplomatic methods for solving our problem and stress that it is we Central Americans and not the foreign powers that should solve the problem. I believe that forums such as the Organization of American States can help us to hold dialogue. I shall back the existence of free, democratic regimes in Nicaragua, and I shall seek by all means the area's demilitarization and the departure of the foreign military advisers. But I am a pragmatic man with experience. I shall never allow our national security to be threatened by totalitarian forces.

[Question] Do you think that the right will ultimately take part in the elections united?

[Answer] Yes, under my leadership the right will probably become united in the end. I shall do everything possible to achieve this for the good of the nation. I am open to dialogue and negotiation with all the groups which defend the ideology of freedom. The bad Guatemalans, interested in keeping up the present anxiety and national crisis, who have even gone so far as to finance, or to use coercion or violence to divide the right, will eventually be beaten. Only a bullet could stop me.

To be sure, I would say that it seems like something diabolical. Some time ago, the right was united, ready to put up a common front in the elections. Now it has become divided: for example, MEC [Christian Student Movement] left; and CAN left, without any reason for doing so. And someone has financed Leonel to enable him to continue with the notion of making PUA effective. But, I repeat, I still have hope that the right will be united: now the same thing has become of the Serrano candidacy, it has been weakened, because all these groups take away something...little, but they take away a volume of votes.

[Question] Whom do you consider your principal rival in the coming elections?

[Answer] Vinicio Cerezo.

[Question] Do you think that President Reagan's policy toward the region is correct?

[Answer] I want to explain that it is Ronald Reagan's policy that is correct, not necessarily that of the United States. The American foreign policy is made up with the participation of various political forces, including the House of Representatives, the Senate, the Pentagon, the State Department, the national security offices, the press the churches, etc. Sometimes the president's opinion or desires are not the preponderant ones in devising this policy. Mr Ronald Reagan does have a clear view of the problems and the solutions, with which I agree completely.

[Question] What are the priority areas that your government will deal with?

[Answer] The three priority areas for my government will be: physical, juridical, economic and moral security. We stress this issue, because it is basic for economic recovery. If there is no juridical security, capital will not return or will not be interested in coming; if there is no security that people will not be kidnapped or murdered, or that investments will not be confiscated, or profits confiscated. I believe that Guatemala's economic development depends almost exclusively on the concept of security. And we have mentioned moral security as a restraint on corruption. In Guatemala, if the president is honorable, all the others are as well. And if there is added to this a series of very stiff penalties for those found guilty of corruption, I think that it is possible to talk about moral security, aware of its importance to the restoration of credibility to the system.

In addition, there is the creation of wealth and steady economic growth: through unlimited support for private capital and investors, both native and foreign; using a model such as the one proposed by the World Bank: with freedom, promotion of exports and development of agroindustry.

The third is the creation of social welfare and development, primarily through: education geared to productivity and the total development of the human person; agrarian modernization, and development, making owners of those who have no land and can work on it; improvement in the social security systems and services,

giving more benefits to the users and backing for trade unions and cooperatives, as means for accruing improved socioeconomic gains for the working and peasant class, appropriate for achieving a better distribution of income.

[Question] In what respect is your government plan different from that of your opponents?

[Answer] In all respects. Our opponents do not have consistent government plans geared to the national reality. They have all had to take portions of our ideas, which were published a long time ago, and modify them to give the impression of work and of a team which they all lack. Our government plan covers all aspects of national life, and states and resolves them in a practical, intelligent manner, in keeping with the reality. It contains points for the creation of wealth and its improved distribution, to create prosperity and social benefits. What our opponents have published as differences from our government plan are disordered, inconsistent fragments of ideas which have more ideological than pragmatic grounds.

For example, Vinicio Cerezo has stated that he would create 25 ministries and that he would put the country in debt to emerge from the crisis. He has also noted his satisfaction with the way in which this government has managed the international policy, and has attacked the National Army and private enterprise without discretion or objectivity. I cannot say anything at all about Jorge Carpio. He has no plan. He has taken our ideas and has marketed or sold them in a slightly different form. I venture to say that he will eventually come out with a plan that will be a faithful imitation of ours, although he may use different terms to explain it. About Jorge Serrano I can only say that he has based his ideas on ours, without any mention of cooperative or social development.

We are not concerned that our opponents may be making use of our ideas; it flatters us, because we are working for the nation, and because it proves that experience is the mother of knowledge. We are working to produce solutions and programs, which are the ones that will resolve the country's situation, and it doesn't matter to us who the individuals executing them may be.

2909  
CSO: 3248/438

MEXICO

FORMER SINALOA GOVERNOR TAKING UP CTM LEADERSHIP POST

Mexico City EXCELSIOR in Spanish 26 Jul 85 p 25-A

[Article by Ignacio Herrera]

[Text] Alfonso G. Calderon Velarde, who was governor of Sinaloa under President Echeverria and until yesterday undersecretary of fisheries development in the Fisheries Secretariat, will return to his base in the CTM [Confederation of Mexican Workers] as secretary general [title as published].

"My commitment to President De la Madrid to serve as an undersecretary of state has concluded, and I am leaving with the satisfaction of knowing that I have done my duty. We must accept presidential decisions, which are, of course, for the country's benefit."

Interviewed yesterday, Calderon Velarde, a longtime battler in the CTM, reported that all matters relating to the Undersecretariat of Fisheries Development would come under the control and jurisdiction of the Under-Secretariat of Fisheries Infrastructure, which is headed by Fernando Castro y Castro.

He said that he has worked with Fidel Velazquez, the leader of the CTM, for 50 years and that he would now be returning, with greater experience and enthusiasm, to the secretariat general [title as published] "to take care of the problems of the workers."

"I think that now, with the severe crisis plaguing the workers, it will be important to be in closer contact with them, to work for them and to pay more attention to their problems, which will be aggravated by the inflation hitting the country," he asserted yesterday during the short interview.

At the offices of what used to be the Undersecretariat of Fisheries Development of the Fisheries Secretariat, the staff put in a normal workday yesterday and was expecting internal instructions at any moment for the change of undersecretariat.

8743  
CSO: 3248/488

MEXICO

ELECTRICIAN UNION ELECTIONS, TERRITORIAL DIVISION OCCURS

Mexico City ASI ES in Spanish No 149, 19 Jul 85 p 6

[Text] A few days ago, on 5 July, the SME [Mexican Trade Union of Electricians] concluded its balloting for half of the secretariats on its Central Committee. The winning list was headed by Jorge Tapia Sandoval, who will again serve as the organization's secretary general.

The atmosphere surrounding the elections was tense this time, inasmuch as the SME and the SUTERM [Sole Trade Union of Electrical Workers of the Mexican Republic] had signed an agreement just 2 months before to demarcate their work zones, with the SME losing 45 percent of the territory in which its members traditionally work.

Jorge Tapia was one of the main promoters of the pact, which the Federal Electricity Commission had submitted, while a large group of electricians, who were on the list that Oziel Alvarado headed, argued that if the agreement were signed, it would jeopardize the very integrity of the union.

The agreement was ultimately signed, and Exterior Secretary Humberto Enriquez Carrasquedo asserted that it was not harmful to the SME but rather resolved an age-old problem. For their part, the people on Oziel Alvarado's list complained that Jorge Tapia had the backing of the union machine as well as other financial support, which enabled him to disseminate more propaganda and to campaign more effectively.

The outcome of the voting in the SME shows that the campaign was hard-fought. Out of some 34,000 workers in all, 13,454 voted for Tapia Sandoval, while 10,172 cast their ballots for Oziel Alvarado.

After the voting, however, Jorge Tapia Sandoval, having been reelected secretary general, published a full-page advertisement addressed to the people of Mexico and the labor movement. In it he proclaimed his list's victory and stated that "normally our elections...are decided internally. On this occasion, however, partisan groups obeying instructions and receiving support from outside our organization, in particular from a party that claims to be revolutionary and of the workers, attempted to take over the leadership or place themselves in a position to dictate the union's course." Further on he pointed out: "We are involved in solving the country's problems, but as a union, not as a party." He also said

that he had been concerned with "preserving, expanding and intensifying democracy as a permanent working method," issued an appeal for "involvement instead of abstention" and asserted that his list "has made sure that the course of our union will continue to be consistent with the interests of the working class, of our people and of Mexico."

This was unquestionably an unexpected proclamation, and one that poses a threat to the SME forces that do not share the political line of the current secretary general. When Mr Tapia talks about "partisan groups," he ought to mention them by name. Above all, though, in order to remain consistent with "democracy as a working method" he ought to respect the ideologies of the workers, rather than go on a witch-hunt against them and then set himself up as the guardian of democracy, which the workers themselves have achieved through more than 50 years of struggle."

8743  
CSO: 3248/488

MEXICO

BRIEFS

OPINION ON VELAZQUEZ LEADERSHIP--Tepic, Nayarit, 26 Jul--The country's workers will reelect Fidel Velazquez as leader of the CTM [Confederation of Mexican Workers], reported the secretary general of the Cigarette Industry Workers Union, Ignacio Gonzalez Barragan. He also stated that this was the understanding among CTM leaders, who have met on several occasions to prepare the confederation's upcoming congress. He categorically ruled out that the present governor of Nayarit, Emilio M. Gonzalez Parra, would take over as CTM leader from Fidel Velazquez, asserting that this is nothing more than wishful thinking on the part of the Nayarit governor's admirers. [By Alejandro Pineda] [Mexico City LA JORNADA in Spanish 26 Jul 85 p 7] 8743

CSO: 3248/0488

NICARAGUA

MAP-ML PRESENTS VIEWS ON CONSTITUTION TO ASSEMBLY

PAO20452 Managua EL NUEVO DIARIO in Spanish 28 Aug 85 p 6

[Statement issued by the Marxist-Leninist People's Action Movement, MAP-ML, to the National Assembly on "Parties, the Consultations, and the Constitution" in Managua on 26 August]

[Excerpts] I. Introduction. The Marxist-Leninist People's Action Movement, MAP-ML appears before this special constitutional commission in order to present its position on the current institutionalization process.

The revolution -- we mean the proletarian revolution -- is the only way, the only solution through which the proletariat can overcome the capitalist crisis and solve its problems and those of the people at large, according to its and their needs. All other solutions occur in the capitalist framework and, therefore, are included in the policy of earnings and limited to efforts at solving the crises of capitalism and capitalists.

The MAP-ML has publicly pointed out that, considering the fact that this commission adopted as its guide the document presented by the constitutional subcommittee, the consultation planned for the drafting of the constitution loses all meaning because the consensus reached by the political parties forming the subcommittee -- with the exception of the MAP-ML -- indicates that the way to institutionalization has been already determined and responds to democratic-bourgeois concepts.

II. Our views on the principles approved in the document prepared by the commission. The MAP-ML has described the current period as one of definition of the revolutionary process. In this regard, the Marxist-Leninists of the MAP-ML struggle to increase, as soon as possible, the probability of victory of the working class and the people at large over the bourgeoisie and imperialism. In this struggle, it is very important to explain to the proletariat and workers the true meaning and the practical implications involved in the principles outlined in the basic document approved by this commission.

Taking the Nicaraguan reality very much into consideration and the limitations of the current institutionalization process and rejecting entirely the liberal--bourgeois framework within which this process occurs, we think it possible, however, -- with the support of the masses -- to succeed in having the constitution express at least the workers' immediate political demands.

Our task as a Marxist-Leninist party is to draft a struggle plan around which we will mobilize the workers and the masses to give specific answers to these demands.

#### Demands of the Proletariat and the Masses Versus the Current Institutionalization Process

1. Our party flatly refuses to accept the idea of including in the constitution the capitalist regime's mixed economy in which the state plays the role of benefactor, protector, and reproducer of the conditions that favor the increase of capital at the expense of the working masses.

2. We reject the principle of political pluralism that entails the constitutional guarantee for the organization and development of the bourgeoisie's political power. Specifically, under the current situation of imperialist and counterrevolutionary aggression, the institutionalization of political pluralism directly attacks the anti-imperialist nature of the struggle of our people and contradicts itself with the pretension of acknowledging anti-imperialism as a principle of this same institutionalization process. It should not be necessary to point out that, under dependent capitalism and, even more, during capitalism's crisis, the bourgeoisie will never be able to raise its old nationalist banners.

3. We reject the bourgeois democracy's abstract and general proposals because it tries to mask the true economic and political inequality and prevent the formulation of specific mechanisms through which the real exercise of the workers' democratic rights is guaranteed and ensured. These rights have been achieved through their struggle against the Somozist dictatorship, the bourgeoisie, and imperialism.

4. We reject the nonalignment principle because it attacks the internationalist nature of the Nicaraguan proletariat that actively and militantly (?supports) the peoples' struggles against their oppressors.

5. We reject the organization of the state according to the principles of bourgeois liberalism and, even more, its presidential version. Through the "division of powers" and the so-called representative democracy, the people are prevented from participating in the workers' control of officials and the alleged representatives of sovereignty.

In spite of the relationship of forces in the National Assembly that we have mentioned and that we have concentrated our main efforts in our work with the masses, -- due to our organization and mobilization -- our party will wage battle alongside the workers to impose in the drafting of the constitution some criteria that will foster the exercise of the masses' democratic rights in this period so that they can move forward in their specific struggle to meet their demands.

a. The definition of a state -- beginning with the installation of the people's power, attained when the Somozist dictatorship was deposed -- and its current defense against imperialist and counterrevolutionary aggression.

The people's participation as guarantor of the future with their institutionalized participation in the vigilance and control over officials, elected or not, as well as the course and destination of the wealth that results from their work must be set forth in the constitution.

2. [numeral as published] The creation of a workers' council must also be included in the Constitution to guarantee the rights of the working masses and the creation of the mechanisms and material conditions for the true exertion of these rights.

3. The clear definition of the state regarding obscurantist concepts through the effective impulse of scientific education banning all religious education in or as part of official programs. All religious education must be extracurricular, out of the schools, and freely accepted.

2. [numeral as published] To guarantee our people's self-determination by forbidding the installation of military bases of foreign powers in the national territory, and to allow the people at large to arm themselves.

The organization of the defense of the people should be guaranteed through the institutionalization of the people's militias as the main and basic form of organization of defense, and through the democratic participation of the workers in its structure at all levels.

To conclude, we wish to point out that we advocate -- as we clearly established in our struggle plan during the electoral process -- the recognition of:

-- The fact that Indian communities and residents of the Atlantic coastal area have a right to administrative autonomy and to the respect of their land necessary for local development.

--The real and effective equality of men and women in exercising their rights and participation in economic, political and social efforts.

-- Strengthening state property.

-- Development of the agrarian reform against the latifundios and not in detriment to state property.

-- Allocation of the right to: work, freedom and democracy for trade unions, job stability, social security, salary protection, and the right to strike.

In sum, all democratic rights of the workers which are included in the majority of the bourgeoisie constitutions, but not really recognized as such. Therefore, we wish to emphasize their inclusion in the specific mechanism that will guarantee that these rights will be made effective through the Council of Workers.

In concluding, we wish to point out that the scientific education of our people, the ideological struggle against the enemies of the workers, the strengthening of defense, and the strengthening of the revolutionary awareness of the people demand that in this period at least the social nature of the social communication media be recognized, and therefore, the right of our people to the daily use of

these media for their interests. At the same time, the masses would be provided with the material conditions for exercising their ideological struggle against their enemy.

Our party, the proletariat, and the popular masses will continue the struggle to change in daily practice the present correlation of forces, but we will also struggle to close the political and institutional space to the bourgeoisie in favor of the democratic rights of the proletariat and the popular masses.

Managua, 26 August, 1985.

CSO: 3248/527

NICARAGUA

BRIEFS

SOVIET RICE SHIPMENT--Corinto--On 10 September, 200,000 sacks of rice were unloaded at the port of Corinto to improve the supply of basic grains in the country, in view of the fact that rice was not planted in several regions as a result of the recent drought. The rice arrived from the Soviet Union. [Summary] [Managua BARRICADA in Spanish 10 Sep 85 p 8 PA]

POLISH GOODS DONATION --Corinto--The commercial counselor of the Polish Embassy on Friday presented a donation of 2,044 packages containing 62,000 articles of clothing and 10,000 baby bottles. He said that the donation is worth \$1 million. This is in addition to the donation of 900 tons of cereal that arrived in Corinto last week from Poland. [Summary] [Managua BARRICADA in Spanish 10 Sep 85 p 5 PA]

COFFEE PRODUCTION -- Managua, 9 Sep (ACAN-EFE)--According to data released by the Agricultural Development and Agrarian Reform Ministry today, Nicaragua produced 1.115 million quintals of coffee during the 1984-1985 season, or 77 percent of its stated goal of 1.44 million quintals. Of this total, the private sector produced 72 percent and state-run farms 28 percent. [Summary] [Panama City ACAN in Spanish 1923 GMT 9 Sep 85 PA]

CONTRACT WITH FRENCH COMPANY--The Nicaraguan Government, through the Nicaraguan Institute of Energy, has signed a contract with a French company for the supply and installation of equipment to protect and control the motors in the El Arenal pumping station of the Asturias hydroelectric project. The contract is worth 3.5 million French francs. [Summary] [Managua Domestic Service in Spanish 0300 GMT 4 Sep 85 PA]

CSO: 3248/526

PERU

MILITARY PARADE PROVIDES FIRST PUBLIC VIEW OF NEW WEAPONS

Lima OIGA in Spanish 5 Aug 85 pp 20-22

[Text] The traditional military parade for the patriotic celebrations this year provided an opportunity for our armed forces to put on exhibit, for the first time, various types of equipment and war materiel recently purchased. With this equipment, Peru maintains an enviable deterrent power from the point of view of national defense.

In addition to the units of land troops, the parade included imposing tanks, self-propelling howitzers and various artillery weapons, as well as helicopters, missiles and other armed forces units.

However, it was the army which used the occasion to show off the latest of its armored forces--tanks, self-propelling artillery pieces (field and antiaircraft guns), armored infantry transports (both on wheels and with treads) and reconnaissance vehicles.

Of all these weapons, that which aroused the most interest was without a doubt the ZSU-23-4 Shilka antiaircraft system, of Soviet origin, which NATO strategists say is one of the most efficient in the world. Peru obtained this deadly weapon early in the 1980s under economic conditions which were favorable to the country.

It is a light armored vehicle with a swivel-turret on which four 23-millimeter guns, with firing range controlled by radar, are mounted. It can operate with great efficiency despite attempted electronic interference by the enemy. Its radar detects planes flying at low altitude up to 150 kilometers away. Its guns, whether guided by radar or optically, have a range of 2.5 kilometers. This is the main antiaircraft defense weapon available to the motorized infantry and armored divisions for wartime use.

Generally, an infantry regiment or a tank regiment has four Shilka units. During the Yom Kippur war, these gun units were the main defense weapons used by the Arab army forces, inflicting innumerable casualties on the efficient Israeli Air Force.

Although the Warsaw Pact has added more modern defense weapons, the Shilka is the most efficient used by the armies in this military alliance. In Peru,

these gun batteries have been installed at strategic points on our national territory, while the exact number of units the Peruvian army has now is not known.

Also impressive is the new BM-21 artillery weapon. It is a motorized vehicle with a platform carrying the base for 40 tubes which can launch simultaneous projectiles at targets up to 30 kilometers away.

This field weapon, also of Soviet origin, is equipped with advanced electronic instruments which locate targets and automatically activate the 40 firing mechanisms. This multiple launcher was also put into service early in this decade.

The 155-millimeter self-propelling howitzers were also among the weapons which attracted great attention. They have long antitank barrels, and are activated by electronic equipment of fantastic precision. These units are another of the basic Peruvian artillery weapons recently purchased.

The army displayed other weapons, such as the well-known Russian T-55 tanks, the main combat units used by this branch. They are equipped with a new laser beam fire control system. In addition to their great firepower and precision when used for attack, these armored vehicles are equipped with additional equipment with flame-throwing capacity for destroying obstacles, and smoke launchers to conceal their position. They are effective for night combat.

Where the army air force was concerned, the well-known Mi-8 (Hip) helicopters, which can carry 26 soldiers and their weapons, can destroy targets up to 200 kilometers away and can fly at 250 kilometers per hour, were also on view.

Along with the Soviet Mi-8s, the "flypast" down the length of Brazil Avenue included French Alouette helicopters. For economic reasons, the army was unable on this occasion to display the deadly Pechora missiles, which the FAP [Peruvian Air Force] also has, and which are deployed at strategic sites throughout our territory.

These recent purchases by the Peruvian army have been added to the equipment and war materiel it has had for some time now: the M3A1, M4A3, AMX 75 and AMX 105, M 20, UR 416, M11-3A1, M-109, A1B armored vehicles, etc.

The navy, for its part, put on an interesting display of the Exocet and Otomat missiles. Both are used against seagoing vessels. While the Otomat (French-Italian) uses liquid or aviation fuel, the Exocet operates on solid fuel.

Both have control systems for flight at sea level. The Exocet cruises at an altitude of 15 meters, while the Otomat rises to 200 meters before dropping to an impact altitude. When the Exocet is fired from a vessel, no further information is received, while the Otomat receives signals of two types--data from the vessel and from a helicopter.

For this reason the maximum range of the Exocet is that of the vessel's radar (depending on the height of the antenna), which may extend up to 38

kilometers. The Otomat, for its part, has a range of 124 kilometers. The former missile is sent toward from a helicopter in flight some 80 kilometers away, which then transmits signals directing it toward the target vessel located some 34 kilometers farther on.

The navy is one of the best equipped anywhere in America. It has no fewer than 12 conventional submarines and dozens of surface units, five missile-launching frigates, 10 destroyers and a number of light cruisers being outstanding among them. In addition to all of this there are the modern Sea King antisubmarine helicopters. The FAP, for its part, only showed land units. An exception was a flypast by a squadron of Macchi training planes which were provided to this branch of service in 1982.

Our country's air force has a strong fleet of combat helicopters, to which only its Cuban counterpart is comparable. Two years ago (1983) the new Mi-25 helicopters (which the NATO strategists call Hind), of Soviet origin, were delivered to our country.

These helicopters fly at a speed of 320 kilometers per hour and can carry up to 13 persons, with their military equipment. Their missiles can reach targets up to 160 kilometers away.

Along with the Mi-25s, there are the Mi-8s (Hip) and the Mi-6s (Hook), also Soviet-manufactured and equally efficient. The Mi-6s can carry 70 persons with heavy weapons, can fly at 300 kilometers per hour and can reach targets located up to 300 kilometers away.

In addition to these units there are the American-made helicopters recently purchased. They are Bell 214 ST and Bell Twin 212 models purchased during the government of President Belaunde.

The Soviet combat and support helicopters carry 57-millimeter unguided missiles, which are efficient as antipersonnel weapons and against poorly protected targets, and also as antivehicular missiles. The rockets can be replaced with a combination of up to 750 kilograms of conventional bombs.

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CSO: 3348/872

PERU

MAGAZINE DISCOURSES ESTABLISHMENT OF RELATIONS WITH DPRK

Lima OIGA in Spanish 30 Jul 85 p 17

[Text] On Friday, 19 July, the secretary general of the Aprista Party, Armando Villanueva del Campo, outlined a series of measures which his party had resolved to pursue in international policy. The most important revelation perhaps was that pertaining to the establishment of diplomatic relations with North Korea.

The Aprista decision to establish links between our country and the government of the tyrant Kim Il-song would seem to ignore the role that country has played in world terrorism. Our continent has suffered the onslaught of the terrorist methods encouraged and promoted by the government in Pyongyang. Reality shows that wherever a North Korean embassy or trade mission is to be found, there is usually an abundance of actions undertaken to destroy stability.

The aid Kim Il-song gives international terrorism has been made evident on more than one occasion. Where our continent is concerned, the regime in Pyongyang launched its sinister campaigns about 20 years ago. In 1969 it trained 50 Mexican guerrilla fighters, 17 of whom were arrested by the military authorities in that country for serious crimes. In 1966, the personnel of the North Korean trade mission were expelled from Uruguay when their connection with an aborted coup d'etat was proven.

In 1972 and in the era when the socialist Salvador Allende's Popular Unity party governed the nation, the entire North Korean diplomatic staff was expelled from Chile because of proven close links with the guerrilla fighters of the MIR [Movement of the Revolutionary Left]. Three of Kim Il-song's agents were arrested in Costa Rica in May of 1975 for inciting university students to rebel against the democratic regime in that civilized nation. Nor did Bolivia escape the sinister and illegal plots woven in Pyongyang. In May of 1978, the Bolivian military expelled three North Korean agents caught turning \$280,000 over to leftist guerrilla fighters for the purpose of overthrowing the government.

In November of 1979, North Korean commando units established a guerrilla base in the dense forests of Brazil, where they trained 15 guerrilla fighters. In Venezuela, Kim Il-song provided the guerrilla force with \$50,000, as well as

logistic support and training in guerrilla tactics in the mountains of that country.

In short, the list is long and our space too limited to mention all of the instances in which North Korea has been linked with terrorism, subversion, and the destruction of government stability, not only on our continent but in Africa, Asia and Europe as well. As a final chapter in the unholy actions of Kim Il-song, it should be added that, in addition to the countries mentioned above, others, such as the United States, El Salvador, Guatemala, Puerto Rico, Paraguay, Argentina and Guyana have suffered directly from North Korean aggression.

What is the criterion used for the establishment of diplomatic relations with a country, apart from strengthening the bonds of friendship? Obviously political and commercial and other types of economic interests. But in the specific case of North Korea, what benefit could our country derive from diplomatic relations with a poor and backward nation? The Aprista government will have to provide full justification of the motives requiring that we open our arms to a country such as North Korea.

#### Excerpt From Aprista Newspaper

[The following is an excerpt from a photostat captioned "The Aprista Daily Newspaper HOY Carries Official Press Reports from North Korea." The text follows the headline "Friendship Between Peru and North Korea"]

"The president-elect of Peru, Dr Alan Garcia Perez, the alternate secretary general of the APRA [American Revolutionary Popular Alliance], Dr Armando Villanueva del Campo, and the recently appointed foreign minister, Dr Alan Wagner Tison, have made statements about Peruvian foreign policy, and in this connection, have said that Peru will be a vigorous participant in the Nonaligned Movement. We hail this sovereign decision by the next Peruvian government and we also call the attention of the public to the campaign of discreditation South Korea has launched among us, propagating press reports stupidly falsifying the Korean reality and attempting to exert pressure on the Aprista government, thus interfering in the domestic affairs of the country.

The Democratic People's Republic of Korea is a truly nonaligned and Third World country. We therefore state that a sovereign decision by the Peruvian government to establish diplomatic relations with this country will be very welcome and comforting news.

Historically, the DPRK has made more than 100 proposals for the peaceful reunification of the great Korean fatherland. The regime in Seoul, supported by the presence of U.S. troops, has systematically opposed them, ever increasingly promoting greater falsification campaigns on an international scale, in a useless attempt to hinder the advance of history and to weaken the firm will of all Koreans."

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CSO: 3348/872

PERU

**FORMER MINISTER ON FISHING FLEET MODERNIZATION**

Lima OIGA in Spanish 22 Jul 85 pp 30-31

[Interview with Minister of Fisheries Ismael Benavides; date and place not given]

[Text] The situation in the fishing sector, which experienced growth of about 15 percent during the first 3 months of this year, has been analyzed for us by the head of this sector, Ismael Benavides. His statements, which were characterized by optimism but free of complacency, justify the expectation of a promising future for a key activity, not only in economic and strategic terms, but in terms of nutrition as well. The following is a summary of the conversation, which lasted more than an hour.

[Question] The period of transition is approaching, and this is a good time to make an assessment. What would yours be?

[Answer] We--and I say we because everything that has been done in this office is the work not exclusively of myself but the product of teamwork--we set forth a dozen or so goals for the sector, and we have made considerable progress in achieving them. This was not an easy task, since it must be borne in mind that in 1980, the democratic government took over a fishing sector with serious structural problems. To this were added the sudden shrinkage of the frozen fish market because of the world crisis in 1981 and 1982, and the negative effects of the El Nino phenomenon in 1982 and 1983.

[Question] Before continuing, could you explain these inherited "structural problems" in a little more detail?

[Answer] Well, I believe it is widely known that the regime has in fact made serious errors which have had a negative effect on the sector, with the excessive fishing of anchovies, monopolization of foreign trade in fish meal, and nationalization of the fishing fleet and industry, as well as the launching of tremendous projects in the sector. And there has been little concern with incentives for traditional fishing, where the largest number of coastal workers are employed and the largest volume of fish is caught for direct human consumption.

[Question] Returning to the goals you set...

[Answer] We proposed to raise the dietary and nutritional levels for the people by seeking to increase fish consumption; to promote fishing development through an effort at better exploitation of underutilized resources such as saurel and mackerel; to continue the modernization of the fleet for fishing up to our 200-mile limit, and not just up to 30 miles, as was traditionally done; to promote the cultivation and harvesting of shellfish; to rationalize the fishing industry and make it more efficient, in order to attract greater investment; to develop the marketing of fish on the national level; and to improve and deepen scientific and technological research through greater support of the Maritime and Fishing Technology Institutes. In all these respects, we have been able to make considerable progress. I do not like to quote figures, but it is worth mentioning that per capita consumption of fish increased last year from 9.5 to 14 kilograms, that exports totaled about US\$300 million as compared to US\$170 million in 1983, despite the low prices for canned fish and fish meal, and that 15,000 new jobs were created in the sector and real income increased. In a word, resolute work has been done and the results are there to see.

[Question] This is the positive aspect. I suppose there have been negative ones too?

[Answer] I will not speak of negative aspects, but rather of the goals we were unable to achieve fully. In this connection, for reasons of a political nature, it was not possible to carry out the rationalization and redimensioning of the state fishing enterprises to the fullest extent. Similarly, and here the responsibility is shared with the legislative branch, the promulgation of a new fishing law to serve as a base for establishing norms for the development of future fishing activity was not achieved.

[Question] At no time under this government have the relations between this ministry and the private fishing sector been entirely cordial. What is the situation now?

[Answer] There is a very fluid relationship and close coordination between the Ministry of Fisheries and the productive sectors, both with the traditional fishermen and the fishermen and owners in the industrial sector. Naturally, this has worked to the benefit of the sector. The continuous dialogue has made it possible to overcome some misunderstandings which clouded the relationship at one time.

[Question] Some sectors have made harsh criticisms of the ministry, accusing it of doing nothing in the ecological realm. What can you say about this?

[Answer] That these criticisms are without foundation. All of our actions have been carried out with the preservation and protection of resources always in mind. To this end we have constantly evaluated the fishing resources, using all of the scientific and technological methods available to us, and have managed them cautiously. Not only have we taken special care to avoid damage to the Paracas Peninsula reserves, because I believe that this was the point of your question, but also, a little more than a month ago, another

reserve, at Punta San Juan in the province of Nazca, began operation. A very great concentration of seals and a wide variety of other species are to be found there.

[Question] In conclusion, then, what advice would you give your successor?

[Answer] There is still much to be done in the fishing sector, not in giant projects nor in the establishment of more infrastructures. If there is one thing Peru has it is excess capacity, both in the fleet and in plants, but regrettably, for lack of investments, they are now becoming obsolete. I believe that with relatively little investment and with incentives for the investor, we could see great growth in this sector in the next five-year period. In my opinion, without meaning that I am giving advice, we should avoid gigantism and the unproductive investments which did so much damage to the sector during the last decade, at all costs. The efforts should be focused on raising the nutritional level for our people and making the domestic marketing structure more flexible. We should exploit species like saurel and mackerel, which we are not catching today because they are distant from the coast, along with modernization of the fleet. Aquaculture and fishing in our continental waters are areas with a great future which should be promoted. We should also seek to diversify our fishing products, finding those with greatest added value, along with reducing the state role in productive activities.

The state should limit its actions to norming and cooperating with the private sector in the modernization of our fleet and the maximal exploitation of our 200-mile limit. Also, we must not overlook support of the traditional sector and the effort to create jobs in the fishing sector. I am certain that with consistent and stable policies we can achieve unprecedented consumption of fish on the national level, an export volume much higher than that at present, and in general, greater socioeconomic well-being for this sector.

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CSO: 3348/872

PERU

BRIEFS

MILITARY HOUSEHOLD CHIEF APPOINTED--The post of chief of the Military Household of the President of the Republic is a very important one. In practice, the holder of this post manages the government headquarters. He drafts the daily working agenda for the chief of state and decides who will be allowed to see him. He coordinates all of the security measures for the president and accompanies him on all his travels and to all ceremonies. He provides liaison between the government palace and the armed service branches, effecting direct coordination. He also coordinates all protocol activities. Not only is he the administrator of Pizarro House, but he is also the shadow of the chief executive of the nation. The new government has appointed General Victor Raul Silva Tuesta, currently commanding the First Light Division stationed in Tumbes, to hold this post. It is said that the new chief of the Military Household, the son of a veteran APRA [American Revolutionary Popular Alliance] militant, was suggested to Alan Garcia by "Pacho" Tantalean, on the recommendation of his father, General Javier Tantalean Vanini, and General Arbulu Galliani. General Silva Tuesta is also married to the sister of General Sinesio Jarama, who commands the Second Military Region, with headquarters in Lima. [Text] [Lima OIGA in Spanish 22 Jul 85 p 13] 5157

DEPUTY ACCUSES APRA LEADERS--Deputy-Elect Jose Barba Caballero of the PAP [Aprista Party of Peru], received a death threat last week when he found a seriously beaten man outside the door of his home. This incident is said to have resulted from the fact that Barba discovered during his last trip to South Korea that a number of APRA [American Revolutionary Popular Alliance] leaders have been accepting fees from the government of Kim Il-song. At one of the sessions of the 15th Aprist Congress, Jose Barba Caballero, it was reported, threatened to publish the list of the comrades employed by Kim Il-song, and to launch an internal campaign to prevent the next Aprist government from establishing diplomatic relations with the North Korean government. In the presence of Alan Garcia, Barba Caballero termed those in the APRA promoting this diplomatic link "unpatriotic." In view of the threat received, the Aprist deputy is said to have taken precautions, and a copy of the list and all the pertinent information is on file with a notary public in Lima in a sealed envelope, against the possibility that something might happen to him, our always well-informed diplomatic sources say. [Text] [Lima OIGA in Spanish 22 Jul 85 p 13] 5157

PEOPLE SUPPORT ALAN GARCIA--A public opinion poll carried out in greater Lima reveals the extraordinary popularity of President Alan Garcia and the support the people have extended to his government. The poll also shows that the economic measures implemented by Premier Luis Alva Castro to solve the current crisis have awakened considerable hope among the people. We will report some figures that accurately reflect the government's performance in its first 30 days in office. In response to the question: Do you agree with what President Alan Garcia has thus far done? 96.1 percent of the people polled gave affirmative answers, 1.4 percent gave negative answers, and 2.2 percent said they do not know or have no opinion. In response to the question: Do you agree with economy minister Luis Alva Castro's performance? 80.5 percent of the people polled gave affirmative answers, 2.7 percent gave negative answers, and 16.8 percent said they do not know or have no opinion. In response to the question Do you think the APRA [American Revolutionary Popular Alliance] Government will be able to solve the Peruvian crisis? 81.1 percent of the people polled said "Yes," 12.5 percent said "no," and 3.1 percent said they do not know or have no opinion [All figures as heard] This poll reveals the popularity of the current administration and of President Garcia Perez and Premier Luis Alva Castro among the people. [No video available] [Excerpts] [Lima Television Service in Spanish 0100 GMT 6 Sep 85 PY]

CSO: 3348/955

SURINAME

NETHERLANDS PRIEST EXPELLED FOR ANTIGOVERNMENT SERMONS

The Hague ANP NEWS BULLETIN in English 2 Sep 85 p 7

[Text]

Amsterdam/The Hague, September 2 - The Netherlands 'deeply regrets' the way in which Surinam authorities expelled a Dutch priest for alleged crimes against the state, foreign ministry spokeswoman said on Friday.

The priest, father M. Noordermeer, left Paramaribo without travel documents and was met by Dutch police on arrival at Amsterdam's Schiphol airport on Friday night.

The spokeswoman said the Netherlands regretted the manner in which the expulsion had been handled, pointing out that the Dutch embassy in Paramaribo had been given no opportunity to speak to Noordermeer prior to the expulsion decision.

Surinam military leader Lieutenant Colonel Desi Bouterse has accused Noordermeer of 'activities endangering the state' following allegations the priest had repeatedly made serious 'derogatory statements' about the Surinam government in his sermons.

The spokeswoman said the Netherlands had been informed on Thursday of the priest's expulsion by the Surinam foreign ministry, but declined further comment as not enough was known about the precise charges.

The Dutch-based Surinam Liberation Council on Friday reacted indignantly to Noordermeer's expulsion, comparing it with recent arrests of South African church leaders.

The expulsion of Noordermeer was 'the beginning of the total destruction of the church, the only remaining hope and conscience of the Surinam people', the Liberation Council said.

CSO: 3200/59

SURINAME

## FOREIGN EXCHANGE SHORTAGES PROMPT SUSPENSION OF IMPORTS

The Hague ANP NEWS BULLETIN in English 22 Aug 85 p 1

### [Text]

The Hague, Paramaribo, August 21 - Surinam has temporarily stopped clearing imports through customs to avoid depletion of the country's dwindling foreign currency reserves, Transport Minister Imro Fong Poen said.

He told the Association of Surinam Manufacturers (Asfa) yesterday the situation was so precarious that foreign currency would not be used to pay for imports.

The move has left a ship with some 61 million guilders worth of imports stranded in Paramaribo harbour while a 50,000 shipment from New Orleans has been threatened with seizure, the minister said.

Poen said that Surinam had counted on some 630 million Dutch guilders in foreign exchange for this year but due to disappointing bauxite, aluminium and alum earth exports foreign exchange income had only reached 525 million Dutch guilders.

Surinam Finance and Planning Minister Norman Kleine said Surinam's foreign exchange reserves stood at a bare 1.8 million guilders. Last year Surinam still spent some 750 million Dutch guilders on imports compared with 1.3 billion guilders in 1983.

### IMF Talks

Kleine said Surinam could receive money from other countries if it could guarantee that its two bauxite companies Billiton and Suralco would stay in Surinam in the years ahead.

The finance minister said he would reopen talks with the International Monetary Fund (IMF) this month on a programme to restore the country's finances, adding that Surinam was already negotiating with various foreign banks, including the Swiss Bank.

Surinam has been granted 10 million dollars in credits by Colombia, 70 million dollars by Taiwan and 30 million dollars by the Italian car manufacturer Fiat, but these were based on very stringent conditions.

Transport Minister Poen said that Surinam was experiencing little success in meeting requirements as half of Colombian credit was in the form of a hard loan, as was 10 million dollars of the Taiwanese credit and 15 million from Fiat.

Poen said Surinam was still examining the possibilities of credit offered, while in the short term car-tyres and medicine had already been imported from Colombia.

Last week the Surinam government with immediate effect annulled all extra flights by the Surinam airlines to Brazil and the Netherlands in an attempt to cut foreign exchange being taken out of the country by the 3,500 extra passengers.

The government said it expected the measure to save a few million guilders in foreign exchange.

CSO: 3200/56

SURINAME

BRIEFS

REVIEW OF CREDIT OFFERS--Paramaribo, Suriname, 31 Aug (CANA)--Suriname's minister of transport, industry and industry, Imro Fong Poen says the government is studying the conditions under which credit lines which have been offered to the financially-strapped country can be utilised. The minister told a manufacturers' association meeting that credit lines have been offered by South Korea, Colombia, Taiwan and the Italian firm Fiat. He said that Colombia is making U.S. 10 million dollars available, half of which is a commercial loan which has to be used up before the rest, on concessionary terms, is released. Fong Poen however said that the country has been unable to utilise the amount prescribed as the hard credit line since so far, Suriname had been able to buy only car tires and medicines from Colombia. The minister told the manufacturers that the credit line from Taiwan which is also worth 10 million dollars is even more tough. The 15 million Fiat line is said to be extremely stiff but no details of loan conditions were released. [Text]  
[Bridgetown CANA in English 1917 GMT 31 Aug 85 FL]

CSO: 3200/57

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